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FINANCIAL TIMES

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THE QUEEN'S AWARD TO INDUSTRY

CONTINENTAL SELLING PRICES: AUSTRIA Sch.13; BELGIUM Fr.20; DENMARK Kr.2.75; FRANCE Fr.2.20; GERMANY DM1.70; ITALY L.300; NETHERLANDS Fl.1.50; NORWAY Kr.2.75; PORTUGAL Esc.15.00; SPAIN Ptas.30; SWEDEN Kr.2.50; SWITZERLAND Fr.1.50.

NEWS SUMMARY

GENERAL

Portugal rioting goes on

As civilian anti-Communist violence continued in northern Portugal yesterday, the critical question of how far the current dissent will split the army loomed ever more menacingly in the background.

In Viseu, crowds sacked the HQ of Leftist parties and burned their contents in street bonfires. Communists trying to protect their building with pistols and shotguns were evacuated after wounding 15 demonstrators. Afterwards, the troops left the crowds to destroy the building. Later, the Portuguese Democratic Movement HQ was destroyed.

Moving south

Last night, both Communists and Socialists were planning rallies in the southern town of Evora, a Communist stronghold. The decision of the Socialists to challenge the Communists in the south suggests that the moderates are growing in confidence.

Most army units have not yet announced their view on the Antunes manifesto which attacked the new government and, it is believed, called for the resignation of Communist-supporting Premier Vasco Goncalves. *But there are reports of* growing support for it.
Back page

Ulster clashes

Ulster had its fourth consecutive day of violence yesterday as communal clashes in Londonderry's Bogside followed traditional marches *commemorating* the relief of the city in 1689 by the Apprentice Boys. The Irish Government reviewed the situation as concern in Dublin rose. But there appears to be no immediate Provo move towards open hostilities. A 300 lb. bomb, loaded into a hijacked lorry and driven to a police station, was *defused.* Page 7

Drafting of Sinai pact starts

Israeli and U.S. negotiators were reported yesterday to have begun *drafting the exact language* of a proposed new interim peace agreement between Israel and Egypt. It is widely expected to be completed later this month during a trip by Secretary of State Henry Kissinger to Egypt, Israel and Syria.
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No sexy smokes

Another nail was put in the coffin of cigarette advertising yesterday, *when the* Advertising Standards Authority ruled that ads must no longer link cigarette smoking with sex, courage, manliness or business success. Anti-smoking campaigners are still not satisfied. Back Page

Demands met

The parents of kidnapped Samuel Bronfman, 21, heir to two of America's biggest fortunes (Seagram's and a broking house), have met the undisclosed initial demands of his abductors, a family spokesman said.

People and places

A number of swans, ducks and geese in the Norfolk Broads have been killed by botulism, a deadly disease caused by organisms *found where water has been* dried up by heat.

Hundreds of pottery workers near Stoke are starting work at 6 a.m. and clocking off at 2 p.m. so that they can sunbathe. Absenteeism has been cut as a result.

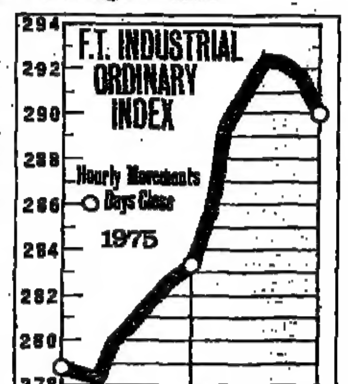
Reported missing, believed to be in the New Forest, yesterday, were a boa constrictor and crocodile, both pets the owners of which, not to mention the public *at large, will be anxious to see* back in captivity.

New Zealand's John Walker last night set a new world mile record of 3 min. 49.4 secs, in Gothenburg.

BUSINESS

Equities rise 6.7 on strength of Gilts

● *EQUITIES* were encouraged by a stronger Gilts market and the FT 30-share index put on *9.1 by 1 p.m. This later narrowed* to a net gain of 6.7 at 290.0. Gains were due mainly *to shortage of stock.*



● GILTS made a marked turnaround, *following* sterling's improved performance and lower U.S. Treasury bill rates. Gains of up to a point were recorded and the Government Securities Index closed 0.64 up at 60.16.

● THE POUND remained steady, to close unchanged against the dollar at $2.1025. Its average depreciation improved to 27.7 per cent. (27.8), the dollar's being 2.32 per cent. (2.33).

● GOLD closed $1.35 up at $164.10.

● WALL STREET closed 4.78 up at 828.54, after gains of over 9 points during the day.

● JAPAN has cut its bank rate *from 8 per cent. to 7.5 per cent.*, its third reduction since April.
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● SCOTTISH miners' delegates have unanimously rejected the Government's pay restraint *policy.*
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Small Heath warning

● NVT shop stewards at Small Heath will be told to-day of company *plans for the future of the* factory. More redundancies are expected because of the Wolverhampton plant's refusal to accept closure. Back Page

● LONDON EVENING NEWS *staff* will have to accept some redundancies if the newspaper is to continue to survive, Associated Newspapers Group has said. Following Sunday's industrial action at the Observer over staff cuts, joint talks were held yesterday *with ACAS officials.*
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● SUNDERLAND SHIPBUILDERS workers are to be asked not to take industrial action over a cancelled pay agree*ment for 25 per cent. negotiated* 10 days before the pay limit White Paper was published.
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● 500 ANSELLS' pubs in the Midlands and Wales will close *indefinitely to-day* due to a membership dispute between the managerial section of the Transport Workers union and the Licensed House Managers' association.

● *MR. KENNETH SHARP*, a former president of the Institute of Chartered Accountants, is to be the first head of the Government Accountancy Service.
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COMPANIES

● ACROW second half profits *rose from* £2.04m. to £3.58m. pushing the total to a record £5.89m. for the year ended March 31.
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● SECURICOR Group first half profit *remained virtually* unchanged at £1.27m. (£1.33m.).
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CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Funding 5¼pc 1978-80	£81½	+ ⅜
Treasury 9pc 1992-96	£66½	+ ⅞
Acrow "A"	63	+ 5
Assoc. P. Cement	134	+ 6
Auto-Oil	35	+ 6
BTR	123	+ 6
Barclays Bank	230	+ 12
Bass Charrington	79	+ 4
Beecham	268	+ 6
Booker McConnell	135	+ 7
Boots	108	+ 8
British Home Stores	287	+ 7
British Leyland	32½	+ 5
Dalgety	178	+ 7
Distillers	106	+ 4
Eucalyptus Pulp	27	+ 5
Glynwed	71	+ 5
Great Portland Ests.	175	+ 6
Guardian Royal Exch	178	+ 6
Hestair	49	+ 5
Hothlyn "A"	48	+ 8
Marks & Spencer	97	+ 4
Metal Box	211	+ 9
Midland Bank	230	+ 8
Pilkington	211	+ 9
Tate & Lyle	182	+ 8
Thorn "A"	156	+ 10
Trafalgar House	82	+ 5
Woolworth (F. W.)	45½	+ 3
BP	508	+ 10
Grootvlei	260	+ 15
Ocean Resources	25	+ 3
Pancontinental	580	50
S.A. Lands	520	+ 30
Western Deep	£19¼	+ ¼

FALLS

Renwick Group	17	− 3
Security Services	63	− 7
Joburg. Cons.	£24¼	− ¼
Palabora	920	− 50
Pot. Plat.	285	− 7

MPs' committee report attacks policy on Leyland

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

The first serious attempt to alter Government policy on British Leyland was launched yesterday by the Commons Expenditure Committee in a sharp attack on Lord Ryder's proposals for rescuing the company.

Since Lord Ryder, the Government's Industrial Adviser, reported to the Government last April, several critics of his ideas *have emerged.*

But the report from the Expenditure Committee's trade and industry sub-committee, published yesterday, only 24 hours after the new British Leyland came into existence, takes the Ryder report apart in great detail, casting doubts on its assumptions and expressing deep anxiety about the amount of money involved in the rescue.

"It appears that the (Ryder) team accepted the (BL) concept study too readily as part of a detailed plan of action," the committee says.

"A firm's *concept study based* on a 'fairly free availability of cash' is unlikely to have rigid economy as its central theme, and it is rigid economy and high cost-effectiveness which should be two of the criteria for the expenditure of Government money, not to mention commercial survival."

Yesterday, Mr. Pat Duffy, chairman of the sub-committee, made it quite clear that they intend to press the Government not only to allow a debate on their proposals in Parliament, but also to provide answers to *their criticism.* They are confident of widespread Parliamentary support, he said.

"The Ryder team rushed their fences. They put forward recommendations on the basis of assumptions that just do not withstand serious scrutiny. They have handed out recommenda*tions involving large expenditure* of public money in much too carefree a fashion," he went on.

"I cannot believe that any report can withstand these criticisms."

The committee's report — *supported by Opposition indus*try spokesman Mr. Michael Heseltine last night, but not commented on by Lord Ryder — attacks the Ryder proposals across the board.

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The main criticisms are:

● Unless the Corporation achieves a very much *higher* level of output — and related *sales* — than Ryder *forecasts*, it must shed labour. The report suggests the labour force would have to be reduced by 50,000 to match Japanese productivity levels.

● British Leyland will have to raise *its sales* in Europe by 95 per cent. — from 200,000 to 390,000 to reach the Ryder target — and this against over-capacity in Europe and potential price cutting.

● The present model strategy could lead to a conflict between the techniques of quality and volume car manufacturing.

● If BL is to earn the profits envisaged by Ryder (annual *profits of £400m. in the latter* years of the reorganisation, the committee calculates), it would have to be "more profitable than any large European motor manufacturer has yet been."

● Lastly, the committee largely endorses the views of Mr. John Barber, the deposed managing director of British Leyland, who supported a *functional organisa*tion for the company rather than a financial holding structure.

As a result of the Ryder report, Mr. Barber was told there would be no place for him in the new company, but the committee made a point of singling him out for mention yesterday.

Dr. Edmund Marshall, Labour MP for Goole, said: "It would be a very great shame if his experience and knowledge of the British car industry were lost to it."

The committee also casts *doubt on the role of the Govern*ment and Department of Industry as the sponsors for the Ryder report—the Department being headed at that time by Mr. Anthony Wedgwood Benn.

In the report, there is the implication that the decision to put heavy Government investment behind the company had
Continued on Back Page

Conference on Rhodesia at Victoria Falls bridge

BY TONY HAWKINS SALISBURY, August 12

THE LONG-PLANNED Rhodesian constitutional conference is to start in railway coaches on the Victoria Falls bridge within the next fortnight.

A statement, issued simulta*neously this afternoon* in Salisbury and Lusaka, says that Rhodesian Government Ministers and leaders of the African National Council will hold "a formal conference without preconditions" in coaches provided by the South African Government on the Victoria Falls bridge not later than Monday, August 25.

"The object of this formal meeting is to give the parties the opportunity to express publicly their genuine desire to negotiate an acceptable settlement."

After this initial *meeting, the* conference will adjourn to enable the parties to discuss proposals for a settlement in committee or committees "within Rhodesia," says the announcement. Thereafter the two sides will meet *again in formal conference* "anywhere decided upon" to ratify the committee proposals.

The South African Government and the Governments of Botswana, Tanzania, Mozambique and Zambia have expressed their *willingness* to ensure that this agreement is implemented by the two parties involved, the official *announcement said.*

To-day's announcement follows last week's London meeting between Mr. James Callaghan, the Foreign Secretary, and Bishop Abel Muzorewa, president of the African National Council, and the Pretoria meeting at the weekend between Mr. John Vorster, Prime Minister of South Africa, and Mr. Ian Smith, the Rhodesian Premier.

The decision to hold the formal meeting on the Falls bridge appears to meet the ANC objec*tion to any conference inside* Rhodesia. But the nationalists appear to have given ground on the matter of detailed preliminary negotiations which will now be held in Rhodesia.

What remains unclear is whether the ANC will *insist* that it is represented on this committee (or committees) by members who are at present banned

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from Rhodesia, such as the Rev. Ndabaningi Sithole, leader of the former ZANU, and Mr. James Chikerema, leader of Frolizi. Presumably, the composition of these committees will be a topic for discussion at the formal session to be held on the bridge sometime next week.

It is reported that both sides will have teams of 12 members at next week's meeting, which brings to an end the nine-month deadlock over conference venue.

The background to the proposed talks is far from promising. *Just before the official* announcement a Rhodesian Government Minister said in a speech that "so far detente had proved to be a complete and abject failure."

Mr. Bill Irvine, Minister of *Local* Government, *said that* Rhodesia could wait no longer in taking action to recover lost ground on the security front. The government was absolutely determined to eliminate "Communist-inspired terrorism."

On the Nationalist side, too, there are reservations about developments. One moderate nationalist close to Mr. Joshua Nkomo *stressed* that the minimum terms acceptable to black Rhodesia was "immediate" majority rule. Mr. Nkomo significantly declined to comment on the ground that he did not have "sufficient information" *suggesting some displeasure in* nationalist circles about the manner in which this agreement has been reached.

Dr. Gabellah, deputy leader of the ANC, was to-day calling a meeting of the national execu*tive to be held in Que Que on* Sunday for a report back on developments leading up to to-day's announcement. Clearly some factions within the ANC are highly critical of Bishop Muzorewa for his failure to keep his followers in touch with recent moves.

It is still not clear whether the bishop will fly back from Lusaka—where he has been for six weeks now—to attend Sunday's Que Que meeting.

The gap between the two sides is enormous. The ANC has repeatedly said that majority *rule is not negotiable* and no one here believes that the council would be prepared to wait for much more than two or three years to realise this objective.

The Smith Government, for its *part, clings to the view of no* handover to black majority rule and is offering some form of power-sharing that would retain
Continued on Back Page

English Property issue fails

BY STEWART FLEMING

ENGLISH PROPERTY Corporation's £15.4m. fund-raising has suffered the worst reception given to a major rights issue this year.

Underwriters have been left with £10.3m. of the 12 per cent. Convertible Unsecured loan stock. Since a further £4.2m. was committed in advance to Eagle Star Insurance—the company's largest shareholder with 22 per cent. of the equity—uncommitted shareholders have subscribed for only *£800,000 of* the £11.2m. of stock available to them.

This poor response means that over the next few days stockbrokers to the issue will have *to try and find a price at which* underwriters who do not want to keep the stock can sell to firm holders who are happy to increase their commitment to the company.

Unless this exercise can be completed successfully the price of the stock could be depressed for some time, with some underwriters intermittently unloading unwanted lines in the market.

The relative failure of the English Property funding seems likely to make the underwriting *of further new issues* even *more* difficult, coming as it does in the wake of a number of what the *stock market describes* as "sticky" rights offerings.

Over the past month underwriters have been left with large blocks of three important issues: Metal Box Company's £23.3m. funding, Smiths Industries £8.7m. issue and the £23m. fund-raising by BOC International.

There is bound to be some concern now among underwriters about how shareholders will respond to the outstanding £21m. rights issue by Land Securities Investment Trust, another large property group. The *first £40 per cent.* on Land Securities' 10 per cent. convertible unsecured loan stock is due to be paid on August 22.

It was suggested yesterday that one reason for the relative failure of the English Property issue was the subsequent announcement on July 24 of Land Securities' issue. In addition there is continuing uncertainty about the outlook for pro*perty companies and concern* that the sector's financial difficulties will be more protracted than had been widely assumed.

The weakness of share prices generally over the past month, and in particular the low level of Stock Market dealings, are also adverse factors affecting the new issue market.

Leading brokers are already reporting that companies are withdrawing rights issues they had planned for August and that issues scheduled for the early autumn may also be withdrawn unless there is a marked recovery in share prices and Stock Exchange activity.

The result of *another* rights offering—the £8.3m. issue by engineers Renold—was also announced yesterday. Shareholders took up approximately 65 per cent. of the issue.
Issue News Page 12

Day work on Ford Escort halted

By Lorelies Olslager, Labour Staff

DAYTIME production of the best-selling Ford Escort car was halted at the Halewood plant yesterday and 1,500 workers were laid off for the rest of the week because of a strike by some 120 men over manning levels.

The management wishes to reduce the number of doorhangers on the shift from eight to seven as part of a company wide efficiency and productivity drive dating back to last autumn but the men say they will only agree to the cut if management promises the right "mix" of *two- and four-door models down* the assembly line.

The men now on night shift at the Halewood body plant had accepted the reduction without conditions before the plant closed for the annual summer holiday late last month. The company had therefore hoped that the dispute would be *resolved quickly when the door*hangers and men working close to them on the present day shift, stopped work almost as soon as they returned from holiday on Monday morning.

Lay-offs

Yesterday, however, after fur*ther talks with the management*, the men decided to strike for the rest of the week. Ford thereupon laid off another 1,500 men in the body and assembly plants. The company expects to lose production of about 1,500 cars this week, *worth £3m. in saleroom* terms.

The dispute is reminiscent of the eight-week strike of doorhangers at Ford's Dagenham plant which lost the company production of 20,000 cars. But while the Dagen*ham strike brought some relief* to Ford in the car industry recession—the plant had been on short time anyway—Halewood is being hit just as the plant was preparing to start a new overtime schedule because of strong demand for its popular Escort model, the best selling car in Britain.

The *management* hopes that the present nightshift will continue to work normally.

Wilson plans TV appeal on inflation

BY PHILIP RAWSTORNE

IN A MAJOR bid to consolidate public support for the Govern*ment's anti-inflation policy.* Mr. Harold Wilson is to launch a £2m. publicity campaign on the pay and prices measures next Wednesday, in a nationwide television broadcast.

The Prime Minister, at present on holiday in the Isles of Scilly, is expected to broadcast his appeal—regarded as a critical *prelude to the TUC and Labour* Party conferences next month —from studios in Plymouth.

It was strongly emphasised in Whitehall yesterday that the timing of the broadcast was not directly linked with the publication in the next few days of the Government's monthly statistics on unemployment, trade, the *cost of living and earnings.*

None of these important economic indicators is expected *to show any significant depar*ture from recent trends.

Mr. Wilson's call for national backing for the Government's policy will be accompanied by the first moves in a publicity campaign directed by the Special *Unit established in Whitehall* when the Government's measures were announced.

Full-page advertisements will appear in national newspapers on Wednesday, and in the following week the distribution will begin to every household in the country of a pamphlet explaining the Government's policy.

The publicity unit — headed by Mr. Geoffrey Goodman, industrial editor of the Daily Mirror, and Lord Jacobson, *former* chairman and editorial director of the Mirror Newspaper Group — is being assisted by advertising agents Boase, Massini and Pollitt, who handled the Labour Party's publicity at the last General Election.

Officials from the Treasury and the Departments of Employment and of Prices and Consumer Protection have also been involved in the detailed planning of the campaign, which aims to set out "with a human touch all that the nation needs to know" about the Government's proposals for wages, prices and dividends.

It seemed unlikely last night that Mrs. Margaret Thatcher would demand a right of reply to the Prime Minister's broadcast. The Tory leader will be on holiday next week in the South of France and would return only *if the Prime Minister were con*sidered to go beyond an explanation of the Government's measures and an appeal for national support.

Improving

Whitehall officials moved quickly yesterday, after it was learned that Mr. Wilson was breaking his holiday, to dampen any speculation that his decision was due to any sudden change for the worse in the economic climate.

The trade figures, due to be published to-morrow, are expected to show the recent improv*ing trend continuing.* The deficit in June of £49m. gave an average monthly deficit over the second quarter of £27m. compared with £191m. in the previous quarter. And there was no indication that the July figures would break the *pattern.*

Little significant change in the trend is expected to be revealed *either in the movement of retail* prices when the July index is published on Friday. The month on month annual rate in June was 26.1 per cent., and it has been widely recognised that this figure is likely to increase slightly over the next few months.

The unemployment figures, to be released to-morrow week, will be more unpalatable. With more school leavers registering for *employment, last month's total* of 1.08m. is expected to rise sharply towards a level of about 1.2m.

TUC to advise on £6, Back Page

£ in New York

—	Aug. 12	Previous
Spot	$2.1020-1030	$2.0970-0980
1 month	0.63-0.63 dis	0.70-0.75 dis
3 months	1.90-1.85 dis	2.16-2.11 dis
12 months	7.70-7.60 dis	7.90-7.80 dis

FEATURES

ON OTHER PAGES

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Mrs. Castle steps over the line

BY JOE ROGALY

SOMETIMES there really is no way around a clear matter of principle. It has always seemed to me to be reasonable for the practice of private medicine to be separated from the National Health Service, if that is what the Government of the day and most health service workers want. It has never semed to me to be reasonable for the Government of the day to ban private practice outright, as the collectivists continue to urge. This set of twin principles was until Monday accepted by the Labour Government: "separation, not abolition" of the private sector was its declared policy.

The contrary

The "Consultative Document" issued by Mrs. Barbara Castle, Secretary of State for Health and Social Security, on Monday does not actually set out to abolish the private sector—but it does set a specific limit on its size. The principle that there shall be no abolition has not been blown apart, but the holes have been drilled, and the dynamite could easily be set in place. In the world of compromise and fudge and why-bother-it's-too-hot in which we seem destined to live it might be protested that the document contains no declaration of intention to liquidate all private practice; on the contrary a Departmental Paper produced last September and attached to it acknowledges that "the philosophy of a democratic society is one which allows for minority views, tastes and practices"—although of course this has to be balanced, in the departmental (ministerial?) view, against "the freedom of the many."

It might also be protested that Mrs. Castle's proposed provision for those "minority views, tastes and practices" is not ungenerous: the limit is to be the number of short-stay beds for private patients that existed in March 1974. Given the increase in costs since then, it could be that this level of supply will exceed demand for some years to come. Again few people would want to see the N.H.S diminished by a rampant growth of the private sector.

Yet a principle is a principle is a principle. You cannot really say that the freedom of the individual is to be limited in this matter to the quantity that existed in March 1974—a month, incidentally, that followed the acquisition of power by a government supported by fewer than three out of ten of the voters and which has in several cases shown little of that "predisposition to find in favour of individual freedom" to which the departmental paper published yesterday refers.

Oh, but wait a minute, it will be said. There is another principle at stake here—it has to do with the bloated rich buying services that others who need them might not get. The truth is that Mrs. Castle provides specifically for the provision of NHS services to the richest of all—those who can come from abroad for treatment in Britain.

As for those natives who actually use the private sector here (the very few extremely wealthy apart) the true picture is far more mundane than the collectivists like to think. If they refer to "U.K. Private Medical Care 1974," published just last week by Lee Donaldson Associates for the Department of Health and Social Security, they will see that much of the private sector is straightforward health insurance provided by companies for employees.

There are now some 1.096m. subscribers to organisations like BUPA, covering say 2.3m. people. Less than a third of the subscribers are individuals; the number actually fell from 334,000 in 1971 to 312,000 last year. All the growth has come from subscriptions taken out by companies (1964, 368,000; 1974, 784,000) and most of this growth in recent years has been in schemes where the whole subscription is paid by the employer.

C. Gordon Tether is on holiday

It is even more instructive to look at what the provident fund income is spent on. It is nearly all for certain specific treatments or operations conducted at times best suited to people's jobs, something not always available in the public sector. Is this queue-jumping? Arguably yes when the treatment is inside a NHS hospital; arguably no when it is in a separate institution. In any case, *most* of the medical care of even the privately insured patients is still in the hands of the NHS. Average spending in 1974 was £17 per head of the population privately insured. NHS spending was £56 per head of the U.K. population. "The subscribers do not form a separate sector of the community, distinct from NHS care" says Lee Donaldson Associates. They use the NHS most of the time, and their insurance "for all or part of certain medical episodes as they arise." Restricting this *freedom is wrong in principle*, even though in practice this Government and its works may have been forgotten before the ceiling proposed on Monday is felt.

YACHTING — BY ALEC BEILBY

Race hope dies with wind

AS THE minutes ticked away at Plymouth and reports came in from RAF reconnaissance aircraft exercising in the western Channel, it became apparent last night that the U.S. ketch Kialoa, which on Monday and even yesterday seemed well placed to establish a new Fastnet course record, was to be robbed by the wind.

It was the same story two years ago with the U.S. yacht Sorcery, which set a new record to the Fastnet Rock and seemed comfortably placed as she rolled homeward to Plymouth only to meet calms and strong west-running tides as she entered the English Channel at the Bishop Rock, south of the Scilly Isles.

The record of three days seven hours 11 minutes and 48 seconds for the 605-mile course was established in 1971 by American Eagle.

This morning, Kialoa rounded the Bishop Rock and then faced six hours of westerly tide as the wind fell away. Five hours after rounding the Rock, with over eight hours left in which to cover the last 100 miles, she was stranded.

Reports of sightings at the Fastnet Rock have now been correlated at Plymouth and, although neither Britain's Yeoman XX, Australia's Love and War, or America's Robin have been seen, it has been possible to get a rough idea of Fastnet Race and overall Admiral's Cup points at this stage: Britain seems to have increased its lead over the Americans from 47 points to about 70 points

Australia's Bumblebee led the Admiral's Cup fleet at Fastnet by 20 minutes from the U.S. Charysma with the second U.S. team yacht Tenacious third and Britain's Battlecry fourth—an hour behind the Australian. Handicapping dropped the Australian crew to about 16th while the Irish team yacht, Irish Mist, was hoisted into the lead, having rounded 20th.

On handicap the Irish were over 30 minutes ahead of the New Zealander's Inca.

Lloyds broker, John Prentice, owner of Battlecry, shipped Derek Boyer, a veteran of the Fastnet and winner in 1965, aboard as navigational adviser and this seems to have paid. Battlecry's westerly track to the Fastnet though—normally correct in a westerly wind pattern—went a little awry towards the Irish coast, where the wind shifted nearly 180 degrees to the South-East and driving rain and fog obscured the Fastnet Rock.

Yeoman has not been sighted, as is the case with one or two other yachts important to unofficial calculators, but with Battlecry third so far on corrected time and Noryema fifth, she will have to finish worse than 30th to really upset the British applecart. On her past performances this seems unlikely.

While Kialoa, which is not in the Admiral's Cup struggle, finally broke free of the grip of the tide off Land's End, this evening, Bumblebee was sighted approaching the Bishop Rock with Charysma, Tenacious, Battlecry and Noryema all in hot pursuit. This group, sailing within sight of one another, had managed to clip three hours off the time taken from the Fastnet by Kialoa and the two large French yachts, Pen Duick VI and *Gitana VI*.

The Admiral's Cup is still in the balance, but the balance, this evening, seems tipped slightly in Britain's favour. The yachts will carry six hours of fair tide to the Lizard and then must decide, as was the case two years ago, whether to stay inshore and dodge the westerly ebb or go out to sea and hope for stronger wind.

Once past the Lizard, the inshore ploy could pay, but the Bishop Rock is 52 miles from the swirling eddies off the Lizard and the yachts must average better than 8 knots to get round before the tidal gate is shut on them.

RACING — BY DOMINIC WIGAN

Micted on form for Peden

SEVEN useful sprinters are due to line up for this afternoon's J. A. Peden Handicap (3.00) at Salisbury, and I shall be surprised if they do not provide racegoers on this picturesque downland course with a closely fought finish.

The two who interest me most here are the Newmarket-trained Frisky Ruler from Jeremy Hindley's Kremlin House establishment, and Captain Ryan Price's Findon representative, *Micted*.

Frisky Ruler would certainly be a deserved winner of this event, sponsored by the Windsor-based Racehorse Transport firm, for he has been runner-up in three of his last five races.

On his most recent appearance—in Kempton's Mortlake Handicap over to-day's trip on July 16 — this tough American-bred four-year-old again ran up to his best form when taking third place behind Nearly New and Brother Somers, to whom he was respectively conceding 2 lbs. and 21 lbs. Frisky Ruler, then ridden by Lester Piggott, who is engaged at Yarmouth to-day, kept going strongly in the final quarter-mile; but could not quite hold the first two, who came with determined challenges a furlong from home.

Micted, a chestnut son of that high class sprinter of a few years ago, St. Alphage, showed his best form to date when just failing to catch the much improved Amadou in the Chichester Handicap on the final day of Goodwood's recent five-day holiday fixture.

Always well placed, Micted would probably have got up to beat Amadou, from whom he was receiving only 5 lbs, had there been a few yards further to travel. With a 15 lbs advantage over Frisky Ruler I expect to see Micted account for the luckless Newmarket colt.

SALISBURY
2.00—Queezy
2.30—Mountain Rescue
3.00—Micted***
3.30—Paddy Jack
4.00—Karakorum
4.30—VAT**

CATTERICK
4.15—Moray
4.45—Little Wild Duck

YARMOUTH
2.15—Eagle Hill*
2.45—Pure Magic
3.15—Heraclius
3.45—Amati
4.15—Inze Baba
4.45—Divided

FONTWELL
2.00—Bam Bam
3.00—Takasaki

A second possible winner for Micted's partner, Tony Murray, who had a somewhat disappointing afternoon at Folkestone yesterday, is Soldier Rose in the Manton Stakes (4.30).

This stable-mate to Micted justified his trainer's confidence in him at Bath a month ago by out-pacing Murray Flash, with the remainder well beaten off, in a 13-runner mile-and-three-furlongs maiden event; and the runner-up paid a useful compliment to the form when justifying favouritism at Windsor on his only subsequent appearance.

Soldier Rose may well prove capable of following up here; but one whom I narrowly prefer is another improving sort, the King's Leap colt *VAT*. This Seven Barrows representative, who has finished in the frame on the last six of his seven appearances to date opened his account in impressive style at Haydock on Friday when out-classing admittedly weak opposition. VAT is on the upgrade and can win this before going on to better things.

GARDENS TO-DAY

Hedging plants for knot-gardens

BY ROBIN LANE FOX

LOOKING THROUGH a wide selection of British landscape *schemes recently for possible* prizes and awards, I was repeatedly struck by the favour for formal historical gardens, not only the grand recreation of seventeenth century knots and parterres but the smaller plots of hedged and divided herb gardens and beds of spring bulbs. They photographed well, looked neat on a plan and set a high safe standard against which the bolder sort of municipal planning did not readily hold its own.

Grandest example

The Queens Garden at Kew is the grandest recent example, restored to an imagined 17th century style which convinces some more than others. But it is only one of many retreats into historical design, into an exact representation which, however implausible in its surroundings, can at least be defended as an accurate exercise in itself.

I would not wish to live with a garden planted on historical principles, if only because so many fine plants would have to be omitted as anachronisms. But the frame of a formal knot-design is an extremely attractive starting-point for those whose ideas of pattern and ground-plan are as humdrum as mine.

Capability Brown would not be pleased to read this, but that master of cunning informality was a master, above all, of landscapes for the middle distance. He was not at his best in the immediate foregrounds and he is *not much help for those of us* whose middle distances are incurably ugly and quite beyond our own authority.

A knot-garden is not particularly easy to maintain as weeds settle into its low hedges which themselves need clipping into shape. I would never consider it on a large scale unless I had a team of gardeners, but for a small formal garden or for a small herb or vegetable section it is a manageable possibility.

There are corners in most garden plans where inspiration has run out and no obvious theme can be extended. A hedged and compartmented area of vegetables or cut flowers is a neat escape.

Designing these hedged beds is a pleasant business which can make one feel very clever without calling too heavily on the imagination. If you have a back yard which is not altogether occupied by cars or a front garden small enough to be controlled with gravel and formal beds, one interesting approach is *to repeat the pattern of the house* windows in a box design on the ground. This presumes that your windows have a pattern, *but those who have a rounded* or curved window can start elegantly from it surrounding the curve in a formal rectangle of box or the equivalent. Others might like to play with their initials, monograms, family crest or arrowed sweethearts.

Important principle

Remember that you can define a formal square with your edging plant and then run wild with ribbons, rhomboids, ovals, semi-circles or whatever inside it. You will have to plant up some odd segments, of course, but if the planting is low enough the contrast of the outer frame and the inner pattern will show up clearly, especially if viewed from a nearby first-floor window. A knot-garden is best when viewed from above, an important principle in its location.

The plants for this knotting and hedging are not as varied as you might wish. It is no coincidence that most knot-gardens are edged in box, but it is an expensive necessity. If you have the chance of moving someone else's old and unwanted box hedging, take it gratefully and be sure to plant it deeply, banking the earth well above its old soil-mark. I have found that the deep transplanting persuades a high proportion of old box-plants to survive. Unfortunately, it is almost impossible to plant box too thickly, expensive though it is. If you can only run to a thin *line, you would be better advised* to consider an alternative.

Cheaper alternatives, however, are not ready to hand. The winter-flowering Sarcocca will eventually oblige, and small evergreen cotoneasters can be trimmed hard into something like a formal shape. The golden-leaved form of Berberis Thunbergii might also be very handsome. But small formal evergreens are one of the weak spots in nature's armoury, and not even the heather fills it properly. Looking back at a 17th century handbook, written at the height of knot-gardening, I find that the problem is not a new one.

Box, its author concludes, is the soundest choice, although it is French. Many gardens had also been using Thrifts (or Armeria), an interesting idea which we ignore completely: as one would imagine, they had difficulty in controlling these carpeting plants which tend to turn brown in patches in winter. But they could repay a cautious *and attentive gardener nowadays.*

Cotton lavender was also popular, but its smelly leaves and loose growth would not incline me to revive it, especially as it has to be clipped very hard in spring. Purple-leaved sage is a possibility, though not a vigorous one: 17th-century gardeners had tried rue too, besides a category of "dead materials" which we would either find too expensive or else (I hope) too bizarre.

Tiles, lead coping and inch-wide planks of oak have all *played their part in the history* of the knot, but they are as nothing to our forefathers' taste for edgings of old mutton bones. These, the shank and jawbone especially, were knocked into the ground, knuckle uppermost, and allowed to weather to a shade of grey which was thought attractive.

Mortality

The associations with mortality, transient flesh and the themes of Hamlet's gravedigger were apparently evoked by the spectacle. I would hope you would consider hedgings of golden and variegated grass, deciduous Ladies' Mantle or even the scrawny Lavender before turning back to bones for your knot-border. I dare say they helped eventually to fertilise the soil, but I do not look forward to the prospect of a bone-garden among the next batch of entries for our next national landscape competition.

Prices of LPO Festival Hall concerts to be raised 20%

CONCERTS by the London Philharmonic Orchestra at the Royal Festival Hall are to be dearer in the coming season with prices rising by 20 per cent. New standard prices are to range from 90p to £3.20, but a reasonable number of cheaper seats will be available.

Mr. Eric Bravington, managing *director of the Philharmonic said* the orchestra was entering the new season with a "considerable development" in industrial sponsorship.

For the first time for many years the orchestra will tour the North-East and Scotland. In October it will pay a second visit to the Soviet Union. The Philharmonic's season will open at *the Royal Festival Hall on* September 23.

TV/Radio

† Indicates programme in black and white.

BBC 1

10.00 a.m. Wacky Races. †10.10 Robinson Crusoe. 10.35 Vision On. 1.30 p.m. Camberwick Green. 1.45 News. 4.23 Regional News (except London). 4.25 Play School. 4.50 Country Search. 5.15 Yao, African Prince. 5.40 Sir Prancelot. 5.45 News.
6.00 Nationwide (London only).
6.20 The Wednesday Film: "Please Don't Eat The Daisies," starring Doris Day and David Niven.
8.10 Five Red Herrings by Dorothy L. Sayers, part 4.
9.00 News.
9.25 The Diane Solomon Show.
9.55 The Rough With The Smooth.
10.25 Success Story.
10.55 The Detectives.
11.45 Weather/Regional News.

All regions as BBC 1 except at the following times:

Wales—1.30-1.45 p.m. O Dan Y Mor. 5.15-5.35 Maldwynaldwyn. 5.35-5.45 The Clangers. 6.00-6.20 Wales To-day. 6.20-6.45 Look Stranger. 6.45-7.00 Newydd. 7.00-7.20 Swyn Y Ser. 7.20-8.10 Star Trek. 11.45 News of Wales.

Scotland—6.00-6.20 p.m. Reporting Scotland. 9.55-10.25 Breathing Space. 11.45 Scottish News Summary.

Northern Ireland—4.23-4.25 p.m. Northern Ireland News. 6.00-6.20 Scene Around Six. 11.45 Northern Ireland News Headlines.

England—6.00-6.25 p.m. Look North (from Leeds, Manchester, Newcastle), Midlands To-day (from Birmingham), Look East (from Norwich), Points West (from Bristol), South To-day (from Southampton), Spotlight South West (from Plymouth).

BBC 2

6.40 a.m. Open University.
10.35 Nai Zindagi Naya Jeevan.
11.00 Play School.
5.00 p.m. Open University.
7.30 Newsday.
7.45 A Taste of Britain.
8.10 The Ascent of Man.
9.00 The Accursed Kings.
10.40 News Extra.
11.10 Closedown: David Markham reads "Pretty Sport," by William Habington.

LONDON

10.25 a.m. Wait Till Your Father Gets Home. 10.45 "The Flying Fontaines," starring Michael Callan. 12.05 p.m. Elephant Boy. 12.30 Sally and Jake. 12.40 Rainbow. 1.00 First Report: News, FT index. 1.20 Lunchtime To-day. 1.30 Mr. and Mrs. 2.00 Good Afternoon. 2.30 "A Far Better Place." 3.20 The Saint. 4.25 Michael Bentine's Potty Time. 4.50 Going A Bundle. 5.20 The Brady Bunch.
5.50 News from ITN.
6.00 A Town Called . . . Gravesend.
6.35 Crossroads.
7.00 Don't Ask Me
7.30 Coronation Street.
8.00 Down The 'Gate.
8.30 "Death Cruise," starring Polly Bergen.
10.00 News.
10.30 About Britain.
11.00 Wrestling.
11.45 If At First . . .

All ITV regions as London except at the following times:

ANGLIA

1.25 p.m. Anglia News. 2.00 Houseparty. 3.30 Boney. 5.20 Lassie. 6.00 About Anglia. 8.30 The Wednesday Film: "WACO," starring Howard Keel and Jane Russell. 11.00 Oscar Peterson presents Joe Turner—blues singer. 11.30 The Big Question.

ATV MIDLANDS

1.20 p.m. Lunchtime Newsdesk. 3.30 Boney. 5.20 ATV Today, including Junior Police Five. 6.00 ATV Today. 8.32 Cartoons. 8.35 The Snoop Sisters. 11.00 Night Gallery. 12.00 Barrie Cooke.

BORDER

†1.25 p.m. Border News. 2.00 Houseparty. 3.30 Riptide. 5.20 The Houndcats. 6.00 Border News and Lookaround. 8.30 Tenafly. 9.55 Cartoon Time. †11.45 Border News Summary.

CHANNEL

1.25 p.m. Channel Lunchtime News. 5.20 Circus. 6.00 Channel News. 6.10 Adventures in Rainbow Country. 8.30 TV Movie: "The Devil and Miss Sara." 9.50 Vision U.S.A. 11.00 Night Gallery. 11.25 Epilogue.

GRAMPIAN

12.35 p.m. Lunchtime Call. 1.20 Grampian News Headlines. 3.25 Daniel Boone. 5.20 Out of Town. 6.00 Grampian News. 6.10 Farming News. 6.15 Love American Style. 8.30 Feature Film: "The Bounty Man," starring Clint Walker and Richard Basehart. 9.55 Police Newsroom. 11.00 Orson Welles Great Mysteries. 11.30 Evening Prayers.

GRANADA

10.30 a.m. Sesame Street. 11.30 Kidnapped. 12.15 p.m. Man and his World. 12.30 Hammy Hamster's Adventures on the Riverbank. 1.20 Take Kerr. 3.30 Shannon's Mob. 5.15 Gustavus. 5.20 Crossroads. 6.00 Granada News. 6.05 There Was This Fella. 6.30 Firehouse. 8.30 The Wednesday Film: "Sergeant Ryker," starring Lee Marvin, Bradford Dillman and Vera Miles. 11.00 The Baron. 11.55 Inner Space.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 1.30 The Galloping Gourmet. 2.00 Houseparty. 2.30 A Question of Identity. 3.30 Riptide. 5.20 Orbit 5. 5.25 Crossroads. 6.01 Report West. 6.15 Report Wales. 6.30 Mr. and Mrs. 8.30 "Do Not Fold Spindle or Mutilate," starring Helen Hayes, Myrna Loy and Sylvia Sidney. 9.55 Gustavus. 11.00 Gilbert and Sullivan For All: "Iolanthe."

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.25 Miri Mawr. 4.35-4.50 Miri Mwy. 6.01-6.15 Y Dydd.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

11.50 a.m. Man and his World. 12.08 p.m. Alphabet Soup. 12.33 Professor Balthazar. 1.25 Road and Weather Report. †3.30 Tales of Edgar Wallace. 5.20 Kiri. 5.25 Crossroads. 6.00 Scottish News. 6.05 Isabel on Wednesday. 8.30 Cartoons. 8.35 The Snoop Sisters. 11.00 Late Call. 11.05 At Your Request.

SOUTHERN

11.05 a.m. "First Men in the Moon," starring Edward Judd and Lionel Jeffries. 12.30 p.m. Hammy Hamster's Adventures on the Riverbank. 1.20 Southern News. 2.00 Houseparty. 3.30 *Department S*. 5.20 Betty Boop. 5.25 Crossroads. 6.00 Day by Day. 8.30 Comedy Premiere. 9.00 Hawaii Five-O. 10.30 Orson Welles Great Mysteries. 11.0 Southern News Extra. 11.10 Movin' On.

TYNE TEES

12.35 p.m. Starting Point. 2.00 Women Only. 3.30 Randall and Hopkirk (deceased). 5.20 Around The World In 80 Days. 6.00 Today At Six. 8.30 "Lieutenant Schuster's Wife." 9.55 Cartoon Time. 11.00 Kenneth McKeller At Home. 11.30 Late News Extra. 11.35 The Peace of God.

ULSTER

1.20 p.m. Ulster News Headlines. 3.30 The Baron. 4.23 Ulster News Headlines. 5.20 Inner Space. 6.00 Summer Reports. †8.30 Wenesday Movie: "Snowbound," starring Robert Newton, Dennis Price and Herbert Lom. 11.00 Great Little Trains of Wales.

WESTWARD

11.25 a.m. Skippy. 11.50 Let's Face It. 12.15 p.m. The Tomfoolery Show. 12.38 Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.20 Circus. 6.00 Westward Diary. 8.30 TV Movie: "The Devil And Miss Sara," starring Gene Barry. 9.50 Vision U.S.A. 11.00 Westward Late News. 11.03 Night Gallery. 11.28 Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 3.30 Randall and Hopkirk (Deceased). 5.20 Out Of Town. 6.00 Calendar. 8.30 "Lieutenant Schuster's Wife." 9.55 Speedy Gonzales. 11.00 Police Surgeon. 11.30 World Snooker.

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 11.00 Paul Burnett with The Radio 1 Roadshow. 12.30 p.m. Newsbeat. 12.45 Johnnie Walker. 2.02 David Hamilton (S) (also on VHF). 5.00 Newsbeat. 5.15 Anne Nightingale reviews the latest sounds. 7.00-12.33 a.m. As Radio 2

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary: weather. 6.02 Simon Bates (S) including 6.15 Pause for Thought. 7.02 Tony Brandon (S) including 8.27 Racing Bulletin. 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.50 p.m. Sports Desk. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1,500m only (also 202m Scotland) 2.45, 3.45 and 4.45 Sports Desk. 5.02 Waggoners' Walk. 5.17 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Lucky 13! 7.30 Sports Desk. 7.32 How The West Was Sung (S). 8.02 Country Club (S). 10.02 Sports Desk. 10.05 Jean Challis with Music Through Midnight (S) and 12.00 News. 12.33 a.m. News Summary.

RADIO 3 — 464m, Stereo & VHF

‡ Medium Wave only

7.00 a.m. News. 7.05 Your Midweek Choice, part 1 (S). 8.00 News. 8.05 Your Midweek Choice, part 2. 9.00 News. 9.05 This Week's Composers: Schütz and Praetorius (S). 9.55 Organ Music (S). 10.30 Recorder and Harpsichord recital (S). 11.15 Mendelssohn recital (S). 11.50 Bax and Rawsthorne recital (S). 12.20 p.m. Midday Concert, part 1 (S). 1.00 News. 1.05 Concert, part 2 (S). 1.50 Faure recital (S). 3.05 New Records (S). 4.05 The Harpsichord in France (S). 5.00 Choral Evensong. ‡5.45 Homeward Bound. ‡6.05 News. ‡6.10 Homeward Bound (continued). ‡6.30 Study On 3. 7.30 Proms concert, part 1: Brahms (S). 8.10 The Arts Worldwide. 8.30 Proms concert, part 2: William Mathias, Tchaikovsky (S). 9.35 Scientifically Speaking. 10.25 Historic Performances on Record. 10.50 Words (Anthony Quinton). 10.55 Bach Cantata No. 199 (S). 11.25 News.

Radio 3 VHF only—6.00-7.00 a.m., 5.45-7.30 p.m. and 12.00-1.00 a.m. Open University.

RADIO 4 — 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today, including 6.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of Today, including 7.27 Sports-desk. 7.35 Today's Papers. 7.45 Thought for the Day. 7.50 VHF Regional News. 7.55 Weather, programme news. 8.00 News and more of Today, including 8.27 Sports-desk. 8.35 Today's Papers. 8.45 The Bindles Take A Holiday. 9.00 News. 9.05 The Living World. 9.35 Parents and Children. 10.00 News. 10.05 In Britain Now. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Round Britain Quiz. 11.30 Thirty-Minute Theatre. 12.00 News. 12.02 p.m. You and Yours. 12.27 Brain of Britain 1975. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour, including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre. 4.00 News. 4.05 The Sounds of London. 4.35 Story Time. 5.00 PM Reports. 15.50 Financial Report. VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Whatever Happened to the Likely Lads? 6.45 The Archers. 7.00 News Desk. 7.30 What Ho, Jeeves. 8.15 Women in Lawrence. 9.15 Artistic Licence. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book At Bedtime. 11.00 The World Tonight. 11.15 Full Fathom Five. 11.30 News.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.02 Downtown. 11.03 In Town. 12.03 p.m. Call In—1. 12.45 London News Desk. 1.00 Call In—2. 2.03 206 Showcase. 4.03 What Are They Up To Now? 4.32 Home Run. 7.00 In Town. 8.00 Quest. 8.30 Platform. 10.03 Robbie Vincent's Late Night London. 12.00 As Radio 2 until closedown.

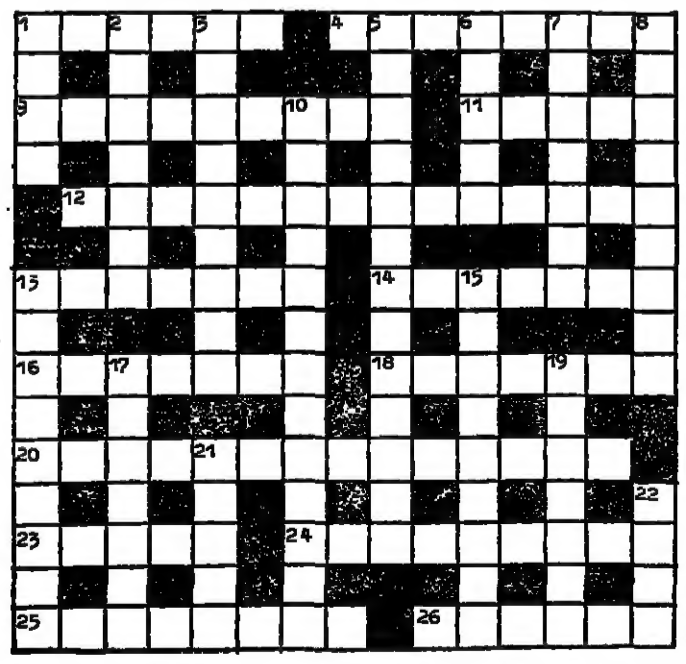
London Broadcasting — 261m and 97.3 VHF

6.00 a.m. "A.M.": breakfast-time news show, with interviews, traffic and travel service, plus sport. 10.00 Open Line—London talks to George Gale. 12.00 Newswatch. 6.00 p.m. Newsbreak. 7.30 Music in Stereo, devised by Andrew Carnegie. 9.00 Love in London. 1.00-5.30 a.m. Nightwatch—news every half-hour.

Capital Radio — 194m and 95.8 VHF

6.30 a.m. The Breakfast Show. 9.00 Michael Aspel presents music, guests, competitions and "Swapshop." 12.00 Cash on Delivery. 3.00 p.m. Roger Scott. 7.00 London To-day. 7.30 Open Line. 9.00 Your Mother Wouldn't Like It. Nicky Horne's rock show. 11.00 Tony Myatt and his late night show. 2.00 a.m. Night Flight.

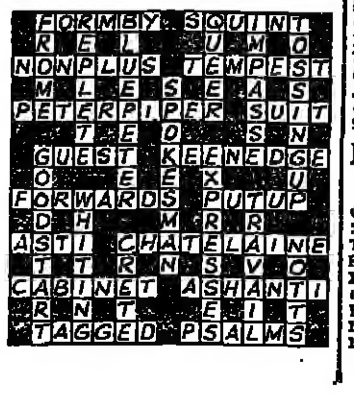
F.T. CROSSWORD PUZZLE No. 2,854



ACROSS
1 Intend to draw up a plot (6)
4 A showy expression of eloquence (8)
9 Lodger having so much more than 18 (9)
11 Amalgam returned without the French component (5)
12 Gradually putting two small amounts together (6, 2, 6)
13 *Steer from the centre,* learner has left lock (7)
14 Jump three feet in Kentish garden (3-4)
16 Spill no tears, it's treachery (7)
18 Set at liberty, being one who holds a privilege (7)
20 Sorrow or doughy condition at centre (7, 2, 5)
23 Will a man possess such an animal? (5)
24 One who comes into something after death (9)
25 Postpones but pays for us to enter (8)
26 Learner placed in extra bad product (6)

DOWN
1 Pudding which is no good (4)
2 A particular policeman (7)
3 To stick exercise in front of notes is shrewd (9)
5 A Shakespearean sovereign (5, 3, 5)
6 The Musical Times? (5)
7 A meeting for sailors (7)
8 Type providing substitute end for one in clarion (9)
10 Be frank and express one's thoughts (5, 4, 4,)
13 Do they give fragrance to water cures? (4, 5)
15 Softly relate to socialist, it's liked better (9)
17 Lengthwise stop on *streets* (7)
19 Wedded, but it appears, in false alarm (7)
21 Avoid the night before accepting notice (5)
22 Poke right in the paunch (4)

Solution to Puzzle No. 2,853



هكذا من الأصل

هكذا من الاعلام

St. Augustine's, Kilburn/Radio 3

Music of the Netherlands

by RONALD CRICHTON

Monday's Prom was a double one, half in Kilburn, half at the Round House in Chalk Farm. St. Augustine's, the size of a small cathedral, was besieged for the first part, given by the Early Music Consort of London. The singers were in front of the screen, the instruments (*cornets, sackbuts*, rauschpfeifen, a couple of viols, harp, *drums and tabor*) were in the chancel behind it. Their conductor David Munrow flitted between *the two groups*. There were some nasty little TV lamps, not as bad as they used to be, but enough to spoil our view not only of the performers but of the church, worth seeing and worth lighting properly for the benefit of viewers even if a live audience doesn't rate such consideration.

The music was by Netherlands composers of the late 15th and early 16th centuries, those once remote figures whom one gathered from textbooks were infinitely learned and ingenious, but dry. I first heard about Heinrich Isaac, one of the most celebrated of them, from Charles van der Borren, a distinguished Belgian scholar who was himself infinitely learned but not at all dry—from the way he stroked Isaac's name one could deduce love and deep admiration. Mr. Munrow, who has the same gift for communicating enthusiasm with the opportunity of sharing it with an incomparably larger public than falls to the lot of musicologists, quoted in his programme note various complimentary and illuminating references to Flemish singing at the period in question.

An Italian poet referred to the Flemings' "vibrant voices . . . strong and robust in the breast." So they are still. The loudest singing I have ever heard was at the Monnaie in Brussels during an anniversary gala, when *a tenor and a baritone from the* company bawled the duet from Auber's *La Muette de Portici* which, over a century earlier, had sparked off a revolt. Nothing *of the sort happened on Monday*, though the singing had the right kind of gusto, with not much finicking about blend, but plenty of life in the individual lines. *James Bowman's pealing Amens* at the conclusion of Josquin's *Credo* on *De tous biens pleine* were enough to set all the church bells in London ringing.

The short programme was expertly put together, in several cases using individual sections from various masses to display the Netherlands style in its great variety, from the expressive use of such devices as canon in Mouton's Motet *Nesciens mater* through the exploitation of tenebrously low voices in a *Kyrie* by Tinctoris to the dazzling manipulation of complex polyphony in a *Gloria* by Antoine Brumel and a Motet *Inviolata* attributed to Josquin. Twice we heard a popular, secural song or dance tune followed by a vocal composition constructed round it. At the end came an *Agnus Dei* from the Mass *La bassadanza* by Isaac which makes Haydn's outbursts of jollity in his masses seem maidenly by comparison.

Connie McCarlie

Brewster Mason and Maureen Pryor in the Royal Shakespeare Company production of "The Merry Wives of Windsor," which opened at Stratford upon Avon last night

Sadler's Wells Theatre

Marcel Marceau

It is three years since this incomparable artist was seen in *London and no-one familiar* with the work of M. Marceau will need much encouragement to pay a visit to Rosebery Avenue during the current four-week *season. For those who come for* the first time I can only promise a revelatory experience. The first half of the programme is devoted to a selection of the "*Style Mimes,*" *sometimes* difficult to follow despite, paradoxically, the exactness of gesture and movement. Here we have the bill poster non-plussed *by his curling, rebellious* charges; a pickpocket strangled by a plethora of inquisitive hands that belong to his nightmare; the dice player whose bad *luck at the table results in the* production of a revolver, turned from the player's own head to that of his gloating opponent.

Not only can Marceau create a vivid *scenario full of character* and detail — just marvel at the rapid-fire, tumbling procession of creatures in the park; he also manages, somehow, to weld these *elements into a poetic statement* that brims with regret for the transience of the images. There is, in fact, a constant critical distance between the performer and his creation, a distance given unforgettable emphasis at the very end of the show as the mask-maker, at last successful in tearing a tragic shield from his face, is revealed as a forlorn, dejected figure totally drained of physical expression or colouring.

Before this haunting finale, however, we are treated to five of the "Bip Mimes." The personality of Bip is an individually developed *response* of Marceau to the great artists of the silent cinema; an inventively resourceful little chap, Bip is nonetheless subjected to the most demanding *of* circumstances and most bizarre of misfortunes. As a matador, a recalcitrant bull that responds not at all to his hilarious baiting turns out to be a cow and is duly milked.

As Bip stumbles, helplessly drunk, from a society party there is no question that a wall exists for him to support himself *against. Equally real is the* imaginary door on which a lovelorn tailor smashes his nose as he turns from a departing customer. How Marceau creates *space and environment around* his presence is evidence of technical prowess; how he creates *the series of little universes*, the variety of adversaries and *the tensions of coping with the* accumulating problems—all of that is evidence of an intense imagination and indefinable artistry. The show is rich in grace, wit and *humour. And* each item is presented by the enigmatically delightful Pierre Verry.

MICHAEL COVENEY

Criterion

Rosencrantz and Guildenstern are Dead

The Young Vic production of Tom Stoppard's superb comedy has been much recast since I saw it two years ago, but it retains the same exuberant quality, even when confined behind the Proscenium Arch of this pretty theatre.

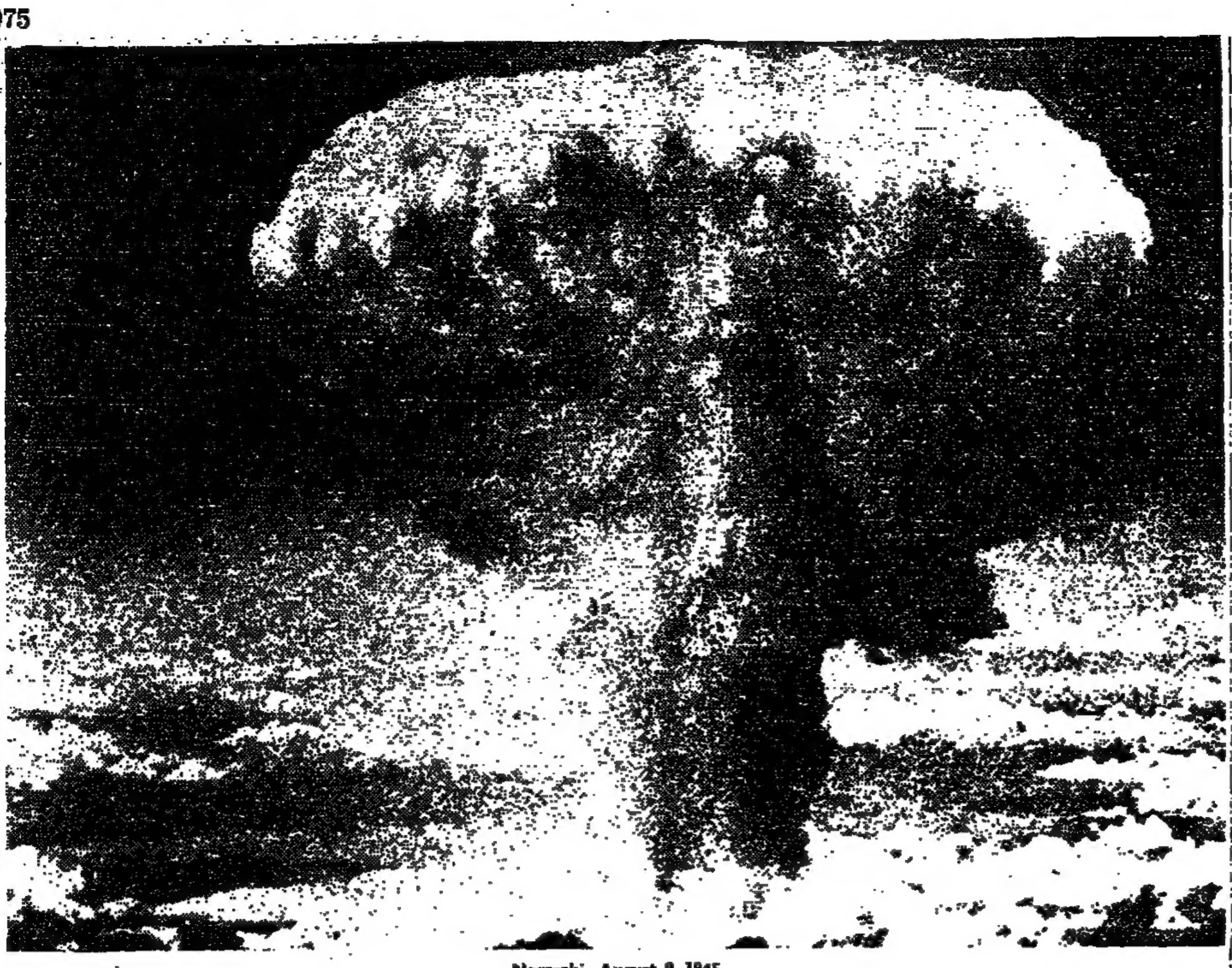
The setting by Brenda Hart-ill Moores consists only of a rough timber platform approached by a run of steps at each end. Two narrow curtains of white gauze and a line of ropes descending from the flies point the black of the cyclorama. This is all the play needs, for its essential quality is that it all happens off stage: the real action—the action of Shakespeare's *Hamlet*—is going on elsewhere while the two attendant *lords are swept fatally in*to public affairs without a clue to what is going on.

Richard O'Callaghan and Christopher Timothy make a well-contrasted pair of lords. Contrast is important: everyone's inability to tell one from the other is due not to their similarity but to their unimportance. Guildenstern is svelte and intelligent, Rosencrantz is solid and boneheaded. Likeable couple probably: it is only their misfortune to be below the consideration of the Court, a couple of pawns lightly sacrificed to save the King.

Philip Locke is the chief *Player, another zero, a man* who exists only in his public image of contrived action and ceremonial appearance. His troupe, moving with the controlled artificiality devised for them by David Toguri, could as well be puppets as far as he is concerned. So could he.

All this is beautifully put over in Bernard Goss's production, and I strongly recommend it to anyone who is prepared to think as well as laugh. I must confess, though, to some heretical thoughts that, for a summer tourist audience consisting largely of impulse-buyers unlikely to know *Hamlet* very well, Mr. Stoppard might be persuaded to shorten the play by 20 minutes or so, preferably in such a way as to have only one interval.

B. A. YOUNG



Nagasaki, August 9 1945

Television

Not with a bang but a whimper

by CHRIS DUNKLEY

When atom bombs were dropped on Hiroshima and Nagasaki I was 18 months old and therefore quite unaware of what was happening. However, *15 years later*, without any prompting or inspiration from television, but informed by the most powerful mass medium of the day—the Press—I joined *several thousands of people*, most of them young, in walking from Aldermaston to London in the second Easter demonstration organised by the Campaign for *Nuclear Disarmament*. At that time, in the early sixties, the most common attitude towards CND marchers was that they were a crowd of scruffily *dressed, jazz-mad teenagers* who chose to spend their daytimes ambling across the landscape with black and white banners mainly as an excuse for spend*ing the night time ambling* across one another.

The truth of the matter was that you needed very strong moral convictions indeed to sup*port you during the longest walk* of your life, and to keep you going in spite of frequent rain, aching muscles and appalling blisters. Anyone lacking such *convictions dropped out*. Among the thousands of us that remained, to walk all the way to London, there may have been a minority with the superabundant energy necessary to march all day and cavort all night. Yet even that tiny minority, I am sure, must have believed passionately that the very possession of nuclear weapons was wrong.

Quite astonishingly, history has now rolled on another 15 years without either nuclear war or a major nuclear accident (the mathematical probability of one or the other must, by now, be stacked up almost overpoweringly against us) and last week we — mankind and planet earth—reached the 30th anniversary of the dropping of The Bomb. CND no longer attracts the sort of support that it did in 1960; yet there are more nuclear nations now than there were then, more stock-piled nuclear weapons and, with the lessons of Watergate in mind, greater reason than ever for fearing the outbreak of nuclear war as a result of the sheer eccentricity of one of our world leaders.

That being so, one might have *expected television to take the* opportunity of the anniversary, however macabre, as an opportunity to cover "in depth" a subject so fundamental to the *future of us all. What actually* happened was that our two major channels, BBC-1 and ITV, which consistently attract at least 90 per cent. of the audience, com*pletely ignored the subject*, leaving it entirely to BBC-2. At first sight it appeared that BBC-2 was going to make up for all the shortcomings of the other two *channels*: five programmes were scheduled, and promotion in the *Radio Times* was extensive, the front cover, a solid two and a-half page feature, and four large promotional pictures in the programme pages all being given over to the subject. There was even a specially prepared logo to pull the various parts together.

On closer inspection, however, a small doubt crept in: the first programme, *The Building Of The Bomb*, on Monday turned *out to be a repeat of a pro*gramme made 10 years ago for the 20th anniversary of the Hiroshima attack, and a quick check showed that Thursday's *programme, J. Robert Oppenheimer—Security Risk?*, was another repeat. This on its own was not necessarily a bad thing, but it did give the lie to any impression which might have been conveyed, deliberately or *not, that we were being offered* a major new series constituting a thoroughgoing reappraisal of the situation.

What we were actually given was a *new* 65-minute documentary written and directed by Robert Vas, based on a book by Dr. Robert Jay Lifton, and called *To Die, To Live—The Survivors of Hiroshima*; a new documentary/drama "interview" called *Mr. Truman, Why Did You Drop The Second Bomb?* (a question notable for lack of any sensible answer) in which an actor used President Truman's own words taken from a variety of sources, to respond to questions from Dennis Tuohy; and an edition of *2nd House* devoted almost entirely to Melvyn Bragg interviewing nuclear physicist Philip Morrison.

It was an effort which made the week's offerings on BBC1 and ITV look flippant and absurdly escapist, by comparison, and yet it must be said that in the end it also looked suspiciously as though these three new programmes could have been produced quite separately from one another within different departments of the BBC, and that the idea of promoting them jointly and tagging on the repeats for the sake of bulk might well have been an afterthought. That is cer*tainly the way it felt if* one watched all the programmes as the week progressed. If the feeling was misleading and the transmission of all five pro*grammes was actually planned* months in advance as an integrated series, then the planners should be told that they failed.

I watched all five programmes with three other people and *all* three of them announced that they were bored before we were half way through the week. Even I, with a concern for the *subject which was once* passionate and which is still very powerful if less active, was forced to admit before the end that they were right: somehow *BBC2 had actually managed* to make Armageddon boring.

Of the five programmes the best by far—"best" in the sense of achieving its own apparent aims and at the same time sustaining interest—was *J. Robert Oppenheimer — Security Risk?*, the dramatisation by Christopher Burstall and Stuart Hood of the American government investigation of Oppenheimer's background and beliefs in 1954. Owing to outstanding performances from Stephen Murray as Oppenheimer and Lee Montague as counsel for the government (performances in which the subtleties of facial expression were even more telling than usual on television) it commanded close attention from start to finish, particularly from those of us who had not seen the original broadcast, presumably. However it was, as Stuart Hood *said* at the beginning, a story about the relationship between the individual and the modern state. It was not a programme, as far as could be seen, that was ever intended to be anything to do with the 30th anniversary of the dropping of the bomb on Hiroshima.

Robert Vas's programme on the other hand was precisely that. *To Die, To Live—The Survivors of Hiroshima* sought to give some impression of the event itself, and also to suggest what it has been like to have experienced the event and survived. Last year Vas made the programme *Nine Days In 26* which endeavoured to convey what it felt like to live through the general strike. No doubt the experience of a strike is very much easier to describe than the experience of surviving an atomic bombing. Whatever *the reason. Nine Days In 26* was very much more successful than *To Die, To Live.*

Last week's programme became, in the end, both annoy*ing and boring because the same* technique was employed over and over again, although the programme was split up into several sections: film of the dead and *the wounded was run as counter*point to to-day's voice-over, or cut against film of to-day's Hiroshima. The contrast worked only for the first three or four *times it was used.*

Just as bad, if not worse, for anyone genuinely concerned with the morality of war was the repeatedly implied assumption *that it is worse to kill 69,000* with one atom bomb than to kill 80,000 with hundreds of bombs dropped in a conventional raid (as occurred in Tokyo for *example). At one point* a voice-over declared "The real victims of Hiroshima are the deformed women . . ." and of course one is moved by the sight or the *description of the awful wounds* inflicted by that terrible weapon. But it would surely be odd if one were not equally moved by the sight of the massed ranks of the *British Limbless Ex-Servicemen's* Association.

We could have done with a *Sunday Debate* style airing of the morals involved in all aspects of waging all types of war, but we had to make do instead with the suspiciously pragmatic Christianity of Truman in Friday's programme, and *the passionate concern expressed* by Philip Morrison, who worked on the development of the bomb, during his interview by Melvyn Bragg on Saturday.

It was Morrison who pointed out that nuclear weapons are still proliferating but that those opposing the spread of such weapons get older every year and are *joined by very few* young people. If, having taken over such a massive role in mass communications in the last 15 years and having supplied the *information which fuelled the* great anti-war movement of the early seventies, television fails to supply the Vietnam generation with sufficient information *about the nuclear arms race*, it may be that neither older nor younger generation will be around to chalk up television's greatest ever failure.

The National Youth Theatre's summer programme

The National Youth Theatre's 1975 summer season—its 20th—is launched this month with two new plays, both by former members of the company.

The Lord of Misrule, by Bob Tomson and Allan Swift, begins a two-week run at the Shaw *Theatre on* August 18. A large-scale production with music *The Lord of Misrule* concerns the Elizabethan boy actor companies which developed from *choir schools*.

A Sight of Glory, by Barrie Keeffe, will play for a season at the Cockpit Theatre from August 20. It is set in the gymnasium of a boys' club in the East End, where the lads are training for boxing championships.

Following these two new works comes a revival of Peter Terson's *Zigger Zagger*, slightly revised, at the Shaw Theatre from September 3; followed on September 17 by *Henry IV Part I*, directed by Michael Croft.

Round House/Radio 3

El Cimarrón

by MAX LOPPERT

El Cimarron, Hans Werner Henze's "recital for four musicians" which has exerted so striking an influence on music theatre since the first Aldeburgh Festival performance in 1970, was presented at a Round House Prom on Monday night, with the composer participating as "*adviser/producer*." There was particular interest in the fresh assumption by four English musicians — Michael Rippon (bass-baritone), Gary *Kettel (percussion)*, Sebastian Bell (flute), Timothy Walker (guitar)—of roles that had seemed stamped with the personalities of their original interpreters. For those who had experienced in the flesh William Pearson's brilliantly energetic and colourful portrayal of Montejo, the escaped Cuban slave, or Stomu Yamash'ta whirling dervish-like along the percussion array, the Prom performance may have been of especial value, in helping to determine just how much of the work's original impact was owed to the glamour and electricity of its first performers.

For the impact of the performers is of crucial importance, in ways normally outside the responsibility of concert musicians. The composer and his librettist, Hans Magnus Enzensberger, adapted *The Autobiography of a Runaway Slave* as a concert narrative in which the very look and positioning of the instru*ments, the movements made in* and by their sounding, the physical interaction between the four players, the dramatic instrumental responses to the *vocal line in all its varied and* highly theatrical modes of delivery—in which, in sum, all of these aspects of performance were of importance equal to the *notes on the page*. However strong the atmospheric allusiveness of those passages in which music plays a "folk," or parodistic, part, or touches moments of *lyrical respite, most of the work* seems, in its manner of construction, consciously to subordinate music to theatre.

So every detail of production *—from the timing of pauses to* the manner in which the instrumentalists traverse the stage, from the Cimarron's tiniest hand-gesture to his most impassioned war-dance — has to be managed with the utmost elegance and abandon, with ease in dramatic quite as much as in musical projection, *con brio*. Admirable though the enterprise of the *present performers* was, and devoted their tackling of the parts may have been: there was, for me, a particular want of such theatricality throughout the evening.

The heaviest burden falls, of course, on the singer, who sustains the actual enactment of the slave. Mr. Rippon had surmounted the difficulties of the voice part with notable skill (It was also good that the English translation by Christopher Keene was given; though it is guilty of misaccentuation—"slaver" a repeated and obvious example—the gain in immediacy far outweighed any loss in accuracy). But there was something cosy and homely about this Cimarron, something comfortable about the quality of voice and its style of delivery; and, more or less in common with all three instrumentalists, there was a stiffness in his timing of movements that made it hard to believe the "adviser/producer" had spent much time in his advising and producing capacities. The lighting, with changes of colour that reflected mood, seemed to make those changes regularly seconds late—it may only have been split-seconds, but the general lack of sharpness and precision felt to enlarge the delay.

The result was that a work that first held me in its grip for days with the richness of its imaginative world, struck on this occasion a sadly thin and insubstantial response. It is obviously to be lived with: by their twentieth performance, these players may well have worked under the skin of their parts to a more urgent and powerful unfolding. For the moment *El Cimarron* seems to me just a little like a musical *Huckleberry Finn* in a Cuban setting, protracted in length and with its basic musical fabric *often unable to sustain the extra*-musical demands made of it.

Jazz films at the NFT

Starting August 20 the National Film Theatre, South Bank is mounting a season of films produced at Universal Studios between 1919-1974. Part of this event will be two special programmes on October 30 which will be of particular interest to jazz enthusiasts. These will consist of a selection of items from over 200 big band shorts produced by Will Cowan at Universal Studios between 1938-1958. New 35mm. prints have been struck for this event by the National Film Archive.

Programme 1 (at 6.30 p.m.) will include films featuring the Count Basie band of the early 1940s, the bands of Tex Beneke, *Tommy Dorsey, Duke Ellington*, Charlie Barnet, Ray Anthony, Billy May, and Woody Herman as well as singers Sarah Vaughan, Connee Boswell and *the Ink Spots*.

Programme 2 (at 8.45 p.m.) will include such musicians as Lionel Hampton, Gene Krupa, the groups of Chico Hamilton *and Buddy DeFranco* as well as clips of Red Norvo, Tal Farlow, Jack Teagarden, Louis Prima and his band and Stan Kenton and his orchestra.

WORLD TRADE NEWS

Sharp drop in Swiss chemical exports

By John Wicks

ZURICH, August 12.

EXPORTS OF the Swiss chemical industry declined 13.2 per cent. in the first half of 1975 compared with a year earlier to Sw.Frs.3.7bn. (£654m.). Only agro-chemical shipments, and, to a much smaller extent, exports of pharmaceuticals showed a rise in value over the period, of 17.9 per cent. to Sw.Frs.423m. (£74.8m.) and 0.2 per cent. to Sw.Frs.690.7m. (£122m.) respectively.

All other sectors of the industry exported less in value terms than in the first half of last year. This affected particularly the important dyestuffs industry, with a 40.2 per cent. drop to Sw.Frs.567.8m. (£100.4m.); the plastics industry, with a decline in export worth of 23.8 per cent. to Sw.Frs.211.3m. (£37.4m.); and the soaps and cleansing agents sector, with a 20.4 per cent. fall to Sw.Frs.69.2m. (£12.2m.).

Elsewhere, shipments of flavours and fragrances declined 14.4 per cent. to Sw.Frs.165.1m. (£29.2m.) and of the overall product group "organic products and active agents" by 8.2 per cent. to SwFrs.1.45bn. (£256m.). The decline was attributable both to recessionary trends in user markets and to the high level of the Swiss-Franc exchange rate.

At the same time, Swiss chemical imports were 20.3 per cent. lower at Sw.Frs.2.19bn. (£387m.). Decreases were recorded for all product groups without exception. Particularly sharp falls included plastics 46.3 per cent. to Sw.Frs.339.8m. (£60m.); flavours, fragrances and cosmetics 28 per cent. to Sw.Frs.74.8m. (£13.2m.); soaps and cleansing agents 23.2 per cent. to Sw.Frs.55.6m. (£9.84m.); and dyestuffs 22.3 per cent. to Sw.Frs.185.3m. (£32.8m.).

IN BRIEF

Israeli deficit

Israel's trade deficit declined for the first time for several years in the first six months, when imports exceeded exports by $1.07bn. Net imports were $2.02bn and exports $952m. The albeit small narrowing of the gap was entirely attributable to higher values of exports, which rose 10 per cent. Since imports were virtually unchanged at current prices, the volume of purchases abroad must have declined significantly as prices of many items which Israel imports regularly have risen sharply over the past year.

Further fall in Swedish industrial orders, deliveries

BY WILLIAM DULLFORCE

STOCKHOLM, August 12.

SWEDISH INDUSTRY experienced further declines in order bookings and deliveries during the second quarter of this year, according to the latest figures from the Central Bureau of Statistics.

The order intake was 7 per cent. lower than in the second quarter of 1974, and the order stock at June 30 was 2 per cent. below a year earlier. The export share had also dropped 2 per cent. to 54 per cent.

The value of industrial deliveries at current prices rose by 6 per cent. during the quarter compared with April-June last year, but that represents a tapering off from the first three months.

Prices, too, started to fall back after the big advances made last year. The Bureau's producer price index shows a rise of only 9 per cent. over the second quarter of 1974, whereas the difference between the first quarter figures was 15 per cent.

Over the 12 months to June 30 order stocks for the timber mills dropped by 33 per cent., for pulp and paper by 28 per cent. and for iron and steel by 19 per cent.

Apart from mining, which recorded an 82 per cent. increase chiefly because of a 42 per cent. advance in prices, only the engineering companies within the export industry showed an increase of 15 per cent. The chemical industry had a drop in both sales and new orders of 5 per cent. between the second quarters of 1974 and this year.

The domestic consumer market remained relatively buoyant with foodstuffs, beverages, consumer goods and tobacco chalking up a 15 per cent. rise in sales and 11 per cent. in order bookings above the second quarter of 1974.

Cheaper book export post

BY MICHAEL THOMPSON-NOEL

SAVINGS OF at least 20 per cent. on postal costs are claimed for a new weekly "groupage" export service launched by Alfred Royle and Willan, a shipping agent specialising in book traffic.

The scheme involves door-to-door shipments to Switzerland—the company already operates similar consolidation services to Belgium and Denmark—and aims to undercut the recent sharp increase in U.K. postal rates.

The service to Switzerland has been set up in co-operation with the Book Development Council, export arm of the Publishers' Association. The charge—which is paid by the importer—will be SwFrs.1.20 (21p) per kilo, described as a substantial saving over the Post Office official printed paper reduced rate or the Direct Agent's Bag service. Consignments will be sent to Zurich for delivery to any part of Switzerland.

The move is the latest step in publishers' attempts to counter the effects of stiff cost increases over the past 12 months, together with a 100 per cent. rise in foreign postal charges.

Book exports last year were worth an estimated £175m.

Port Qasim complex: final report

BY IQBAL MIRZA

KARACHI, August 12.

THE Hydraulics Research Station at Wallingford, Oxfordshire, has submitted its sixth and final report on the feasibility of building Port Qasim to the Pakistan Federal Government. The Station has submitted five reports since it was asked in 1969 to carry out the study.

Various creeks on the River Indus delta system have been considered as possible sites for the new port complex. The reports so far submitted cover most of the hydraulic aspects of establishing Port Qasim. The U.K. has already signed an agreement with the Pakistan Government to aid the project to the extent of £3.4m. on soft terms to help finance the first phase of the development.

EEC import control on S. Korea textiles expected

By Reginald Dale, Common Market Correspondent

BRUSSELS, August 12.

The EEC is expected to introduce import curbs on textiles from South Korea following the breakdown of negotiations for a new "voluntary" textiles agreement at the end of last week.

Germany, supported by the U.K. and a number of other community countries, is understood to be pressing for unilateral EEC safeguard measures to protect the Community textile industry, while waiting for a negotiated agreement with the South Koreans.

The negotiations with South Korea, which are now to be resumed in September, have apparently proved more difficult than officials here originally expected. Last week's unsuccessful talks were the fourth attempt to reach agreement. It had been thought that South Korea might have been more likely to settle following the recent EEC agreement with Hong Kong, which has a similar export structure.

The negotiations are taking place under the GATT Multifibres Agreement, which provides for safeguard measures under certain conditions if markets are unduly disrupted.

Officially, the community should consult the South Koreans before introducing safeguard measures, but it is thought here to be unlikely that the Koreans would agree.

The Commission is currently studying a list of products to decide in which sectors imports should be limited. The safeguard measures are likely to take the form of import quotas, officials said. Action at community level would follow national import restrictions on South Korean textiles already imposed by Italy and Ireland, with EEC approval.

Export Contracts

BURMAN AND SONS will supply Fiat tractor plants in Italy and Turkey with manual steering gears, and in 1976 Burman will become sole supplier when the contract is extended to include the lightweight range of tractors. Sales from the order will then be valued at £1m.

HONG KONG TEXTILE INDUSTRY

Quota pact with EEC provides stable market

BY PHILIP BOWRING IN HONG KONG

IT IS a measure of the degree of protection with which the EEC surrounds its textile industry that Hong Kong should be fairly pleased with a new agreement under which it must subject about 85 per cent. of its textile shipments to the EEC to "voluntary" restraints and keep annual growth to around 6 per cent.

Both industrialists and the Government appear satisfied with the quota agreement reached last month in Brussels. They feel it is about as favourable as could be expected under the circumstances. One reason for this is not that it offers sparkling opportunities to Hong Kong exporters but that by implication it amounts to a considerable measure of protection for Hong Kong itself vis-à-vis its competitor Asian exporters.

Whether such implied protection will do the colony, which has prospered largely on the basis of competition, much good in the long term is questionable, in the same way that EEC protectionism may not be to the overall benefit of members. In the shorter term, however, the agreement is seen here as providing a reasonably stable market and some degree of product flexibility.

The importance of the agreement can be seen from the fact that last year the EEC bought HK$4.25bn. (£391m.) worth of textiles and garments, representing 38 per cent. of local shipments of those items, or about 18 per cent. of Hong Kong's total domestic exports.

What the agreement basically does is to protect the status quo. As Hong Kong was the first Asian country to secure a substantial share of the EEC market for garments, and is way ahead of the field, the restraints which the EEC now imposes on all significant exporters tends to freeze the situation. This should not be exaggerated as competition for markets is still fierce and Hong Kong does not manage to fulfil all its quotas for items in which it is either weak or uncompetitive on a price basis.

U.K. imports

Nonetheless, in 1974 Hong Kong had 32 per cent. of the U.K. market for garment imports, against 5 per cent. for Taiwan, 4 per cent. for Korea and 2.5 per cent. for India. With West Germany now Hong Kong's biggest EEC customer, Hong Kong had 13 per cent. of garment imports, against 2.9 per cent., 3.4 per cent. and 0.3 per cent. respectively for the other countries.

Although clothing exports to the EEC from other Asian countries, notably Taiwan and Korea, have grown much more rapidly in percentage terms than those of Hong Kong, they were starting from very much smaller bases. This situation is now likely to continue.

Newcomers to the field such as Thailand, Malaysia and the Philippines will have much bigger increases. But Taiwan, which has just run into new unilateral barriers put up by the EEC, may do worse than Hong Kong for political reasons.

The point about volume quotas is that the lower the base the less meaningful are percentage increases. If large percentage advances were granted to other countries, Hong Kong could invoke the "equity" clause in the arrangement regarding international trade in textiles, under which all these negotiations and agreements now fall.

The colony is unlikely to invoke the clause, but its existence provides bargaining power for the importing countries. If they can satisfy a major supplier with fairly low percentage increases they can then tell the newcomers that much more for them would be "inequitable."

It is thought here that this consideration helped the colony in its Brussels negotiations. The EEC wanted one agreement which could then be made an "example" for others.

It is not entirely favourable to the colony, however.

It means that about 85 per cent. of textile exports to the EEC are subject to restraint, compared with only 70 per cent. under the various preceeding arrangements.

Some items which have been growing rapidly in recent years, such as knit shirts, are restricted to 2.5 per cent. a year growth, while larger rises are allowed for other items where prospects are not so good.

In addition to the 14 categories of items restricted in respect of all EEC countries there are an additional seven restricted for certain individual countries—notably Britain. The EEC remains 9 separate markets with 9 separate sets of quotas.

It remains a strong possibility that further restrictions will be imposed on the basis of appeals to "market disruption" if the European — and particularly British—textile industries remain depressed. It would be surprising, even if demand were stronger, that Hong Kong could achieve the 6 per cent. a year overall increase permitted.

There are compensations, however. As quotas are based on volume and not price they do not discourage—indeed they encourage—the colony's efforts to move into higher quality, more expensive products.

There is no discrimination between fibres, the number of separate categories is relatively small, and the arrangement regarding international trade in textiles now lays down relatively liberal "swings" between categories and year-to-year carryover.

Further more, the agreement is not retrospective—which will mean that Hong Kong will not have to count for this year the flood of previously uncontrolled items which were exported in the couple of months or so prior to the agreement. Already, some categories have therefore come close to their theoretical ceilings.

Perhaps most important of all for Hong Kong is the opportunity it gives in the longer term for the colony to reduce its over-dependence on the U.K. and Germany relative to other EEC members. Although details have not been released, under the EEC's so-called "burden sharing" formula most of the increases will be distributed to countries, notably France and Italy, for which at present quotas are tiny.

In some cases individual country increases will be up to 50 per cent. a year although from very small base levels.

Quota increases for the uninviting-looking U.K. market are generally small. This means that the colony should find it easier to reach its new ceiling than would otherwise have been the case.

Hong Kong's chief negotiator, Mr. Laurie Mills, has paid public tribute to France's more liberal attitudes—the French have been a major stumbling block in the past, leading to some bitter comments from Hong Kong.

Planning forward

Hong Kong exports to France last year were worth less than a tenth of those to West Germany. In the latest negotiations, however, it was evidently the British who fought hardest against Hong Kong.

Finally, the fact that there is agreement with the EEC means that local factories can now plan forward on the basis of the company-by-company quotas parcelled out by the Hong Kong Government. They are based on past performance, and can be—and are—bought and sold.

For importers it means that orders can be placed without the danger of their being thwarted. In the short term, the agreement will do only a little to relieve the position of Hong Kong textile and garment makers, who despite an improvement in orders in the past few months are still working some way below capacity and on very thin margins.

Provided that, as seems unlikely, the EEC is not suddenly overwhelmed by generosity towards other exporters Hong Kong should be able to look forward to a gradual market growth—and recovery of the good profit margins which are a by-product of quantitative restrictions.

AMERICAN NEWS

Waldheim warning on perils of arms trade

BY OUR OWN CORRESPONDENT

UNITED NATIONS, August 12.

DR. KURT WALDHEIM, the UN Secretary-General, estimated to-day that the global arms bill is now nearing the sum of $300bn. a year, a record for a period of relative peace.

"Some $20bn. worth of arms are now sold annually in the international arms trade," he said. "To the perils inherent in the massive nuclear and conventional armouries of the greatest powers are now added growing and competitive military establishments in some of the most sensitive areas of the world, constituting a series of potential detonators for a new and major military confrontation to which the possibility of the proliferation of nuclear weapons adds a new and chilling dimension."

Dr. Waldheim, who expressed his concern over the arms race in his annual report to the UN General Assembly, which begins on September 6, urged the world body, as a vital necessity, to review its "far from adequate" role in disarmament discussions. He also proposed an expansion of agreements on nuclear-free zones.

Turning to the pressing problems of the Middle East and Cyprus, in which the UN is actively involved, he said that the slowness of progress towards an Arab-Israeli settlement created grave dangers of further conflict, but that there was some limited progress towards an agreed basis on which Greek and Turkish Cypriots could live together in peace.

In the Middle East, he said, there was an increasing danger that in the absence of progress, pressures would mount for more drastic courses of action, and the opportunity for achieving a settlement would once again be lost.

Looking towards the fourth round of Cyprus talks, over which he will preside next month in New York, Dr. Waldheim said that he hoped for "a significant advance towards a solution," which was of the greatest importance not only for Cypriots but for the peace and stability of the whole region.

In his lengthy and wide-ranging report, the Secretary-General expressed deep anxiety over events in Angola and "their possible implications for international peace and security." On Rhodesia, he said that Mozambique's attainment of independence raised the prospect of tighter sanctions, and, in turn, the need for outside help so that Mozambique might deal with the consequent economic disruption. He praised the "great sacrifice" of Zambia, which is expected to face a loss of $310m. by the end of 1975 because of the closing of its borders with Rhodesia.

Dr. Waldheim said that the situation over South West Africa (Namibia) was "wholly unacceptable," no improvement having beenrecorded in the past year. He called for a new formula to enable the UN to respond adequately to the South African challenge.

UAL simplifies excursion fares

BY JAY PALMER

NEW YORK, August 12.

UNITED AIRLINES, America's largest all-domestic carrier, is seeking federal Government approval for a new simplified "all-purpose excursion-fare" scheme. This UAL plan, which would both enlarge the size of excursion discounts and eliminate some of the present restrictions limiting their use, is seen as the airline's answer to the Civil Aeronautics Board's plan to liberalise the availability of low-cost charter flights.

The new fare, which if approved would come into effect next February when present excursion rates expire, would increase to 30 per cent. the discount on regular coach fares during most of the year. Unlike the current 25 per cent. off-peak discount, UAL's planned fare would be available during week-ends and on flights of under 750 miles.

Stressing that it would reserve the right to restrict excursion fare holders to no more than 35 per cent. of the seats on any one flight, UAL said that its fare would have a 14-day advance ticket purchase requirement and a seven-to-30-day minimum-maximum length of stay. Again, unlike the present schemes, passengers not requiring pre-booked ground tour arrangements would be free to participate in the new discount.

Meanwhile, there appears to be an increasing acceptance by U.S. airlines of the CAB's new charter flight rule revisions. These effectively work to eliminate most of the previously tough charter flight rules which worked to discourage such arrangements and divert passengers to scheduled airlines.

The CAB plan allows charters to offer single stop destinations and frees participants from having to belong to any organisation to qualify for flights. The previous lengthy booking requirements have been dramatically cut to 30 days while the restrictions governing length of stay have been largely eliminated.

While Trans World Airlines have attempted to block this plan in the courts, other carriers are now starting to indicate that they will not follow suit. "We cannot win this fight in the courts," one said, "and even if we did, Congress could be expected to pass laws mandating the new liberalised rules."

FBI suspects Hoffa dead

DETROIT, August 1.

A SPOKESMAN for the Federal Bureau of Investigation to-day expressed doubts that missing former Teamsters Union leader Jimmy Hoffa would be found alive.

Mr. Jay Bailey, assistant special agent in charge of the FBI here, told a Press conference: "As time passes, apprehension that Mr. Hoffa is dead grows, but we have no information as to his whereabouts, no information on whether he is living or dead, and no information on whether his disappearance is voluntary or otherwise."

Mr. Hoffa has been missing since July 30. He was last seen outside a suburban Detroit restaurant. Nearly 100 FBI agents and 100 state and local police are working on the case.

Mr. Bailey said that several thousand people had already been interviewed in connection with the case.

Reuter

Panama talks to start again in September

PANAMA, August 11.

NEGOTIATIONS BETWEEN Panama and the U.S. for a new canal treaty are to be resumed in September after a five-month break, Panama's Head of Government, Brigadier-General Omar Torrijos, said to-day.

He made the announcement after a meeting with the U.S. Ambassador to Panama, Mr. William Jorden, who told him that President Ford had instructed U.S. Special Ambassador Ellworth Bunker to resume the negotiations. The Panamanian leader said that Mr. Bunker was expected here early in September.

The main unresolved issue is how much territory the U.S. should retain for military bases inside the 550-square mile canal zone, which is currently administers as sovereign territory under the previous treaty of 1903.

Panama wants to restrict the U.S. to three military bases well away from urban areas, but the Pentagon has sought to retain at least ten of its 14 bases and most of the zone. Panama also wants the new treaty to expire no later than the year 2000, but the U.S. wants a 50-year treaty, according to officials here.

Reuter

TOP RACEHORSE SOLD FOR $4.5M.

KNOXVILLE, August 12.

FOOLISH Pleasure, winner of this year's Kentucky Derby, is being sold for nearly $4.5m. in one of racing's biggest-ever deals, owner John Greer said to-day.

The syndicate buying the three-year-old colt, who cost only $20,000 but has won 12 of 15 races and $973,000, was put together by John (Jock) Whitney, owner of the Green Tree stud farms of Kentucky.

Reuter

Chile 'is winning inflation battle'

By Hugh O'Shaughnessy

THE OFFICIAL announcement that the cost of living in Chile rose in July by only 19.3 per cent. is being taken in Government quarters as a strong indication that the fight against inflation is beginning to show fruit. July's rise compares with a figure of 19.8 per cent. in the preceding month and a record 21.2 per cent. in March.

General Pinochet was welcomed the decline and forecast that August's inflation rate would be less than 10 per cent. Business spokesmen have, however, warned of increasingly high unemployment and stagnating business activity. According to official forecasts about a fifth of the workforce may now be jobless.

Sr. José Zavala, the head of the Governments Foreign Investments Committee has announced that his office has attracted $209m. of new investment from abroad over the past nine months.

The bulk of the new foreign money has gone into the mining sector ($174m.). He claimed that new foreign investments are being worked out for the mining sector and for the oil industry where the Government has recently allowed foreign companies to execute exploration work hitherto rigorously reserved to ENAP, the state oil concern. Sr. Zavala also claimed that foreign investors were interested in a $200m. ammonia and urea complex in the far southern region of Magallanes.

Last week Chilean and foreign investors announced the creation of an $8m. Banco Unido de Fomento, a development bank to assist new manufacturing and trading ventures in Chile.

Chile is beginning a drive to win more friends in the Middle East. The Undersecretary at the Foreign Ministry, Col. Enrique Valdes Puga, has left Santiago for a visit to Europe and the Middle East. He is to be followed in October by a high level mission headed by Sr. Jorge Cauas, the Finance Minister and Sr. Pablo Baraona, Chairman of the Central Bank.

Peron cabinet incomplete

BUENOS AIRES, August 12.

ARGENTINE President Maria Estela Peron to-day searched for a man willing to take on the crucial economy ministry and guide the nation out of recession, unemployment and looming bankruptcy.

The post, filled by five different ministers in the past ten weeks, was the only one left vacant after yesterday's sweeping Cabinet reshuffle.

Justice Minister Ernesto Corvalan Nanclares, a 56-year-old lawyer, temporarily took over the economy ministry for the second time in three weeks until a new man could be found. The difficulties in filling the job underline the gravity of the economic crisis facing the country.

Reuter

NICARAGUA

Trouble from the hills

BY ALAN RIDING, RECENTLY IN MANAGUA

NOT MANY months ago, General Anastasio Somoza Debayle seemed like a man who enjoyed his job as dictator of Nicaragua. He was convinced he was well loved and would move around town with minimal protection. As head of the family that has ruled this Central American republic for the past 40 years, he even felt confident enough to tolerate domestic criticism and be amused by attacks in the foreign Press.

But since the mass kidnapping of 12 prominent Nicaraguans eight months ago, the General's mood has changed. Now, when he travels outside his well-guarded home, he is surrounded by heavily-armed soldiers and, when he speaks in public, he stands behind a bullet-proof screen. He has also imposed strict censorship on local newspapers, radio stations and outgoing cables and becomes incensed over criticism abroad.

The reason for the metamorphosis, according to people close to him, is quite simply his fear that he is losing his grip on the country. For the moment, there is little threat from the National Guard which, although the country's only armed force, is little more than an ill-trained palace regiment. But the kidnapping came as a blow to the myth of his invulnerability, while the erosion of his power is further demonstrated by the changing attitude of such groups as the private sector, the church and the timid conservative opposition party who have moved from resigned acceptance to open criticism of the regime.

Ironically, the General's angry reaction to the kidnapping episode — martial law is still in effect and all constitutional guarantees are suspended—has also indirectly helped the guerillas. Workers and peasants have suffered new repression at the hands of the brutal National Guard and have become more passionately opposed to the regime. Moderate opposition has become more difficult and dangerous and even some anti-Communists centrists are now beginning to support the guerillas — the so-called Sandinist National Liberation Front — simply because they are fighting the dictatorship. Of 18 Sandinists currently on trial before a military tribunal, for example, only one was an activist while several were affluent middle-aged men who had either given the guerillas money or provided land where they could train.

On the other hand, the guerillas themselves, said to number at least 100 armed activists, appear to have suffered little from the stepped-up campaign against them. There has been no major headline-grabbing action since last December, but, contrary to the view promoted by the Government among the foreign diplomatic community, they have also not been brought under control.

> Moderate opposition has become more difficult and dangerous, and even some anti-Communist centrists are now beginning to support the guerillas.

Founded by students in Managua in 1961 and named after Augusto Sandino, an anti-Somoza rebel of the early thirties, the guerillas have modelled their operation closely after Fidel Castro's successful movement against the long-lived Batista regime in Cuba in the 1950s. Many of the Sandinists, including the leader, Carlos Fonseca Amador, have been trained in Cuba and reportedly still receive considerable assistance from the Castro government.

In the mountains around Matagalpa and Jinotega, about 100 miles north of Managua, the guerillas have established a "foco" or area which they control. Chosen as the most rugged and remote region of the country, the guerillas began preparing an operating base there several years ago. And now that they have moved there in force, their existing lines of supply and communication as well as the basic peasant support appear to be surviving.

According to doctors, lawyers and priests who are trusted by the peasants of the region, the guerillas stay in the mountain areas much of the time, coming down to the valleys only to replenish their stocks and to ambush National Guard patrols. During the past eight months, there have been numerous clashes between guerillas and guardsmen in which mainly soldiers have been killed or wounded. The Government only recognised the continuing guerilla activities early this month, however, when it announced the death of seven rebels in two recent clashes.

But the regime is taking the guerilla threat seriously enough to have just moved the National Guard's only crack force, the 400-man combat battalion "General Somoza" from Managua to the tiny northern town of Rio Blanco, which the guerillas occupied for several hours in March this year. Instead of tackling some of the social problems of the area, however, the Guard's tactics so far seem designed to increase the hostility of the local peasantry. For example, Guard patrols enter villages and indiscriminately round up peasants suspected of collaborating with the guerillas. In some cases, the peasants are summarily executed, in others, they are taken away for questioning. In the village of Waslala, not far from Matagalpa, the National Guard has reportedly dug a huge pit where peasant detainees are kept for several weeks until their fate is determined. According to one Church source, at least 60 people are missing from the villages around Matagalpa. Many of these villages are now empty, however, as peasants have either fled into nearby towns or have moved further into the hills to seek the protection of the guerrillas.

News of much of this activity has been kept from the population of Managua, but there are now signs that the Sandinists are spreading their area of action away from the "Foco" near Matagalpa. The two clashes admitted by the Government, for example, took place near El Sauce, 65 miles to the west, and near Ocotal, 90 miles to the north. Some suspected Sandinists have also been picked up at Chinandega and Jinotepe, north-west and south of Managua respectively, giving General Somoza further reason to suspect the spreading influence of the guerillas.

In this increasingly difficult situation, the General has suffered a further blow. His close friend and trusted adviser, the U.S. ambassador, Mr. Turner B. Shelton, has just left Managua after ensuring Washington's support for the regime for the past five years. Not only would he spend as many as ten hours a week alone with the General and advise him closely during such crisis as the 1972 earthquake and last December's mass kidnapping, but he would also intercede with Church and opposition groups on behalf of Somoza.

His successor, Mr. James Theberge, is also a conservative and will inherit the near-viceregal powers that go with being U.S. ambassador to Managua, but he is also unlikely to seek the same intimacy with Somoza as enjoyed by Mr. Shelton. And if he pays more attention to those in the State Department who think Somoza's domestic problems serious enough to warrant reducing Washington's identity with the regime, the General may find himself isolated abroad as well as at home.

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W. Germany has problems in financing its deficit

BY JONATHAN CARR — BONN, August 12.

THE WEST GERMAN Government's increasing difficulties in covering its deficit through borrowing in the credit market are underlined in the Bundesbank's August report released to-day. The problem is expected to be a key item on the agenda of the Bundesbank Council meeting on Thursday, at which both Finance Minister Hans Apel and his right hand man in these matters, State Secretary Karl-Otto Poehl, will be present.

The report shows that in July the Government had a cash deficit of DM4.4bn. because of, among other things, increased payments to the Federal Labour office to cover unemployment money and higher family allowances brought about by a reform at the start of this year. This deficit is about three times the size of that sustained a year earlier, and brings the total shortfall for the first seven months to DM21.4bn.—about DM19bn. more than in the same period of 1974.

The Government has for long been notably successful in covering this deficit—very largely through borrowing in the market. But while in June it was still able to raise the record sum of DM4.7bn. in this way, in July the total had dropped to only DM0.9bn. As the Government had a cash deficit in that month alone of DM4.4bn., it had to draw on substantial book credit from the Bundesbank.

The problem has by no means caught the authorities unawares. In July alone the Bundesbank twice took action to help the bond market function smoothly, reducing minimum reserve requirements and thus increasing bank liquidity by more than DM5.5bn. The steps were fully in line with the Bundesbank's policy of providing the conditions essential to the birth of the long-awaited economic upswing.

While these measures were of help, the fear remains that the public sector's continuing borrowing requirements may force up interest rates and work against the economic upswing the Government is hoping to engender by other means.

One answer could be to drop discount and Lombard rates yet again. They were last reduced on May 23, the former to 4½ per cent. and the latter to 5½ per cent. The banks have been pressing for such action, and share prices moved upwards to-day apparently reflecting hopes that such Bundesbank action may be in the offing.

A reduction would also fit well into the current economic landscape—marked by a rise in unemployment in July, a stagnation of production and export demand—and a burst of orders to industry in June which, while welcome, is unlikely to be soon repeated.

On the other hand, there is concern that a further discount and Lombard reduction in West Germany might lead to substantial capital outflows to the United States where rates have been moving upwards. Hopes had been raised that from the summit *meetings held on the margins of* the Security Conference in Helsinki, an agreement might emerge to try to keep interest rates down and thus assist the cause of economic upswing which almost all industrialised nations espouse. There is as yet little *proof that such an accord* emerged.

THE EEC AND THE MEDITERRANEAN

A piecemeal proceeding

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

THE COMMON Market has closed down for the summer holidays leaving one of the Community's major foreign relations initiatives way behind schedule and in a state of considerable disarray. The Nine's attempts to work out an "overall" policy on the Mediterranean have now probably consumed more Brussels man-hours than any other recent EEC problems—including the "renegotiation" of the British entry terms. Yet several more months at least will still be needed before even the first phase of the policy can be completed.

In the long process of negotiations with individual Mediterranean countries, the Community's original grandiose concept of a free trade area from Donegal to Damascus has run into serious economic and technical complications. Now political difficulties are threatening to slow progress still further. There is a danger, from the Nine's point of view, that the whole exercise could get inextricably mixed up with the Euro-Arab dialogue that is just getting under way, leading to more difficulties and delays.

The Nine have Italy, and the "mare nostrum" philosophy, to thank for first launching the idea of a Mediterranean policy in the mid-1960s. France was quick to see the attraction of the plan, not least as a means of preserving French influence in one of *its traditional fiefs.* But the whole scheme only received the Community stamp of approval in 1972, just before Britain joined, when it was decided to work towards parallel agreements covering trade, aid and the movement of labour with every *single country bordering on the* Mediterranean except for Libya and Albania—neither of which has ever shown any interest in links with the Community.

Most of the Mediterranean countries already had pacts with the Community of one kind or another—the idea was to subsume these agreements into a single "global" approach, which would nevertheless respect political, geographical and economic differences. As it has turned out, three broad types of agreement are now involved. Greece and Turkey are to remain specially priviledged as associate countries promised full Community membership at some future date. Spain and Israel are to get free trade agreements. The others are being offered access to the EEC market, without being required to make reciprocal trade concessions, plus financial aid. Portugal, as a non-Mediterranean Efta country, is not involved, nor is *Yugoslavia, the only Eastern bloc* country to have a trade pact with the EEC.

But while negotiations started with a first batch of countries in mid-1973, Israel is so far the only one to have signed an agreement, which came into force at the beginning of last month. Despite earlier hopes, it has not proved possible to conclude talks with Spain or the three Maghreb countries (Algeria, Morocco and Tunisia) before the summer holiday, while the last of the first group of countries, Malta, has persistently refused even to come to the negotiating table on the basis of the Community's offer.

For the second group of countries, Egypt, Syria, Jordan and the Lebanon (the Mashraq states), *the Community does not yet even* have a negotiating mandate, although ministers are due to discuss the matter with some urgency after the holidays. The principle of offering financial aid to the Mashraq has already been more or less agreed, but the trade terms to be offered are far from settled. Meanwhile, Cyprus presents its own special problems—the island's current association agreement with the Community stands little chance of functioning properly until a peace settlement is concluded.

In many cases, specific problems are holding up the progress of negotiations. Tunisia, for example, has been outraged by recent Community measures that make it virtually impossible for the country to maintain its vital olive oil exports to the EEC. There is a problem over the extent to which the Community should offer access to refined oil products from Algeria, while *Spain, together with most of the* other countries, is not satisfied with the Community offer on farm products. Malta has condemned the Community's offer of financial aid (around £10m. over five years)—as totally inadequate.

More generally, however, it is quite clear that the Community seriously underestimated the difficulty of negotiating satisfactory arrangements with a whole series of countries whose main exports are farm produce in direct competition with *French and Italian agriculture.* Italy, despite its strong political interest in the Mediterranean policy, nevertheless held up the whole exercise for several weeks earlier this year in a bid to gain protection for its own farmers against the threatened new wave *of imports.*

Wine, particularly from Algeria, is a case in point. With the present turmoil on the Community wine market, it is going to be extremely difficult to reach an agreement that meets both Algerian and EEC interest. Italy, for instance, has gone so far as to propose that all Algerian wine shipped to the Community should immediately be bought into intervention at the EEC's expense—a solution that has been rejected out of hand by Britain, Germany and the Netherlands.

Problems like these are going to become even more difficult in the future if Greece succeeds in *its bid to become a full EEC* member (and there is as yet no sign that anyone is going to dare to veto the Greek request). The presence of another Mediterranean country inside the Community, alongside France and Italy, would make it even *more difficult for the Nine to* agree to open their frontiers to competing products. Nevertheless, it now looks as if most of the agricultural problems involved in the present series of talks can be solved if both sides really want to settle.

It is here, however, that political difficulties enter the picture, with Algeria, it is generally agreed, holding the key. Although both Morocco and Tunisia are fairly keen to strike a bargain with the Community, they are unlikely to want to *face accusations of "selling out"* by doing so before Algeria. The Algerians, however, have recently begun to take an extremely strong stand in the talks, using their contacts with the Community as a platform for championing the overall *interests of the third world.* It is, Community officials say, becoming increasingly difficult to negotiate with the Algerians on the nuts and bolts trade issues.

The initial flurry over the Community's decision to sign the Israeli agreement before settling with the Maghreb seems to have blown over. But the Arab boycott of companies trading with Israel is still very much a live issue, with Algeria refusing to agree to the kind of "non-discrimination" clause that the Community usually inserts in all its trade agreements. The Algerians appear to want to concede even less than Egypt, *which in an earlier trade agreement* accepted a "non-discrimination" clause, and then promptly cancelled it by sending the Community a letter saying that the clause would not apply if national security was at stake. The Algerians have been taking a *similarly* hard line in the Euro-Arab dialogue, which is slowly proceeding at official level.

The Community wants to keep the dialogue quite separate for the Mediterranean policy as such; but that could well be difficult if *the Arab countries refuse to see* it that way. There is some concern in Brussels that the Arabs might want to use the dialogue to demand the same trade treatment for all Arab countries that is currently being offered only to the Maghreb. The Nine do not want to find themselves having to offer a one-way trade deal to the entire Arab world, and Washington would doubtless be furious.

The problem is a familiar one in the Community. The Nine are proceeding piecemeal without having really thought out where they are going in their relations with the Mediterranean countries, or the Arab world as a whole. Mandates for trading concessions are thrashed out bit by bit in the council, and Ministers discuss the Middle East in their *secret* foreign policy co-ordination sessions. But there is as yet no evidence of a coherent economic and political approach to the area as a whole. Until the Nine have such a policy, they can have little reason to complain if others try to set the pace.

> The original grandiose concept of a free trade area from Donegal to Damascus has run into serious complications

Italian Communists retort to 'deviation' hints from Moscow

BY ANTHONY ROBINSON — ROME, August 12.

THE PUBLICATION in Pravda last week of a signed article cummening on the orhodox interpretation of Lenin's thoughts on "the double tactics of social democracy," at a time when a delegation of the Italian Communist Party was in Moscow for *talks iwth top level Soviet Party* leaders has given rise to speculation here that the Soviet Party is increasingly worried about what it sees as the deviationist trend of the Italian and French Communist Parties.

The secretary of the French party, M. Georges Marchais, has already appeared on French television to underline that party policy is made in Paris and not in Moscow, and to re-iterate the *value of the alliance with the* French Socialist Party, while the Italian party newspaper L'Unita to-day carried a lengthy "clarification" of the points at issue.

"The idea of being able to dictate rigid rules is unfounded, not only because the monolithic *period ended some time ago in* practical politics—and in the relations between Communist parties, but also because it is absurd not to take account of the variety of situations and problems existing to-day," L'Unita said. The newspaper added: "We understand the relationship between democracy and socialism in a different way from the doctrinaire scheme seen by Zaradov (the author of the Pravda article) and we add that there are numerous other examples of the experience of the workers and revolutionary movement which do not enter into that scheme either."

The article in L'Unita also confirmed that the Soviet and Italian party delegations had discussed the situation in Portugal, among other questions of international politics. Indeed L'Unita stated: "It would have been strange if we had not discussed the situation there, as it is a problem at the centre of the attention and interest of all democratic people and public opinion generally." It also pointed out that the joint communique issued at the end of the inter-party talks in Moscow referred to "pre-occupation over the deepening of the crisis there and the need for unity between the Armed Forces Movement, Communists, Socialists and all progressive Left-wing forces."

But the L'Unita article also made clear that the publication of a joint communique did not *mean that both sides saw eye to* eye on the Portuguese question. Indeed the Italian Communist Party has been the most outspoken Communist critic of the actions of the Portuguese Communist Party (PCP) and has repeatedly urged a more moderate line which would make possible a wider Left-wing front through co-operation with the Socialist Party of Mario Soares.

Inflation rate reduced

BY OUR OWN CORRESPONDENT — ROME, August 12.

THE ITALIAN cost of living statistics for July, which show that inflation for the average family rose by 0.8 per cent. compared with the previous month *of June, confirms the slackening* in the rate of inflation.

Compared with July, 1974, prices were 17 per cent. higher, but the average monthly rises over the first seven months of this year indicate that inflation at an annual rate is running at just over 10 per cent. compared with 25 per cent. in 1974.

However, the slackening in the rise of the cost of living does not tell the whole story, as industry continues to suffer from a considerable degree of cost-push inflation. The 12 per cent. *drop in industrial production* over the first half of this year means that industry has had to spread its fixed costs over a smaller number of units produced, while interest rates remain high and labour, public utility and other costs have con*tinued to rise beyond the relief* given by the reduction in raw material prices and the more favourable terms of trade.

Spanish police shoot Basque guerilla suspect

EL FERROR, August 12.

POLICE SHOT a man dead today when he attempted to flee from a suspected Basque nationalist ETA hideout in this North-Western Spanish seaport, police sources said. They said a flat came under suspicion here following the arrest last night of three alleged ETA guerillas *in the* nearby provincial capital of Lugo.

The man, named as Jose Ramon Rubeiro, attempted to flee over the rooftops when police surrounded the building.

The arrested men were travelling by car and armed with pistols and a submachine gun when they were stopped by police, the sources added.

Observers noted that the ETA had extended its operations from the Basque provinces to the rest of Spain in recent weeks. General Franco is at present on holiday *in the region.* This month four alleged ETA men, including two said to be leaders, have been arrested in gunbattles with police in Madrid and Barcelona.

Last night police smoke-bombed the village church of Derio, near Bilbao, in a vain attempt to arrest a suspected ETA guerilla, informed sources said.

The suspect, who had earlier exchanged shots from the church roof with contingents of para-military Guardia Civil Police ringing the village square, managed to break through the cordon and escape to nearby *hills.*

The sources said police had order to arrest the man following the interrogation of a school teacher detained on Friday in connection with explosions in the area last week.

In Barcelona, a police com*munique announced the arrest of* two men and one woman, alleged to be members of an anarchist guerilla group known as the Armed Struggle Organisation (OLLA). The communique said the three, who were detained six days ago, would face armed *robbery* charges.

Reuter

● A total of 7,795,964 man hours were lost in labour disputes in Spain in the first six months of this year, Spanish trade union sources reported to-day. In the same period of 1974 the man hours lost totalled 4,520,920.

There were 564 labour disputes in the first six months of 1975, the sources said.

AP-DJ

Weather war ban urged

GENEVA, August 12.

THE UNITED STATES to-day urged the 30-nation Geneva disarmament conference to work out ways of curbing environmental warfare methods before these are fully developed.

Most techniques for changing or modifying the weather or the environment for hostile military purposes still lay in the future, but now was the time for measures to bring them under control, chief U.S. delegate Joseph Martin said.

He was addressing the conference after delegates held a week of informal meetings with experts on a weather weapons ban. Man-made fog, hail, rain, hurricanes, tidal waves, earthquakes, and simulation of *volcanoes* were among possible ways of using the weather to strike at an enemy discussed at these talks.

Villagers flee German fires

HANOVER, August 12.

POLICE TO-DAY evacuated all 94 inhabitants of a village lying in the path of a 30-feet high wavy of flame racing across the fire-swept Luweburg heath, north of here. State Government officials are standing by to evacuate two more villages menaced by the blaze, which started five days ago in the middle of a heat-wave.

Several minor outbreaks have been put out, but the main centres of the blaze on the timber-dry heath, remote from water, are still consuming everything in their path and forcing back 3,000 firemen and volunteers. The fires have so far claimed five lives.

Scores of motor pumps on the ground are supported by special French Canadian-built firefighting planes that can shower ten tons of water into the heart of the blaze.

Lower Saxony state authorities to-night warned the East German government that the latest blaze, already within a few miles, might soon spread across the border.

Reuter

BERLIN DEATHS

WEST BERLIN, August 12.

A TOTAL of 166 people, most of them East Germans, have been killed trying to escape to the West from East Germany since the Berlin Wall went up 14 years ago to-morrow, the police here said to-day.

A police spokesman said 70 people had died at the *Wall* in Berlin, while another 96 people were killed along the 620-mile East-West German frontier.

Reuter

Greek Cypriots 'will be allowed North'

BY OUR OWN CORRESPONDENT — NICOSIA, August 12.

MR. GLAFKOS CLERIDES, the Greek Cypriot negotiator, has assured the 200,000 Greek Cypriot refugees that even in a bi-regional federal settlement they will still have a chance to return to their homes in the Northern part of the island now under Turkish military occupation.

His assurance comes at a time when many of the refugees are getting restless and desperate as they watch painfully every day groups of Turks moving from Southern Cyprus to the North where they are being settled in homes and properties abandoned by the Greeks at the time of the Turkish invasion.

Mr. Clerides, in an exclusive interview with the afternoon newspaper Apogermatini said, "If the Turkish side shows understanding and goodwill, there are ways for all the refugees to go back to their homes, without this meaning that the Turks would lose their majority in the areas or area they will control. It may look a complicated problem but there are legal ways of doing it and there are countries with a cantonal system, such as Switzerland, where such an arrangement exists."

He recalled that the proposals he put forward to Turkish Cypriot leader Mr. Rauf Denktash in their Vienna talks provided that "all Turks wishing to go North can do so, provided they settle in homes to be built by the Government."

Meanwhile, another group of 430 Turkish Cypriots were transferred to the North to-day from villages in Paphos, Western Cyprus. A total of about 1,200 Turks have been moved North in the past four days, in accordance with the agreement worked out by Mr. Clerides and Mr. Denktash in Vienna 12 days ago.

Small groups of Greek Cypriot Leftists belonging to the so-called "Socialist Party" of Dr. Vassos Lyssarides are staging noisy demonstrations in Nicosia's main square against the transfers and the division of the island into two zones. But the official Communist party Akel has come out in support of Mr. Clerides and the agreement he concluded in Vienna. With President Makarios at least silently giving his blessing, the protestations of the Lyssarides group are not expected to gain any sizeable backing.

In the interview, Mr. Clerides also spoke against the idea of a long-term struggle often suggested by President Makarios in the past. He said such a struggle "waged in speeches at international gatherings and the United Nations will not solve the Cyprus problem."

Athens court told of police torture methods

BY OUR OWN CORRESPONDENT — ATHENS, August 12.

WITNESSES for the prosecution in the trial of 31 officers and men of the Special Investigation Branch of Athens military police, charged with torturing political prisoners during the military regime, to-day revived in court torture methods employed by the branch to extract confessions.

Mr. Anastassios, Minis, a former wing commander of the *Greek airforce, said he had been* tortured for 111 days, and the aim of the branch officers was to make him a cripple. Mr. Minis, now a member of Parliament for the New Democracy conservative party of Premier Constantine Karamanlis, said he had been detained by the Special Branch from June 15 to October 4, 1972.

"They forced me to stand up for days and if I moved or collapsed they beat me with batons. My legs were swollen and I could not wear my trousers. I could not walk and I had to crawl," he said.

Mr. Minis was arrested by military authorities for exploding home-made bombs as a token resistance against the dictatorship.

He said that during his ordeal he suffered hallucinations. "They gave me water only once a day and I was left without food for days. I remained sleepless for days," he said.

Mr. Minis said that the officers of the Special Branch had become blind instruments of the officers who taught them how to torture political prisoners. "I do not seek the punishment of the soldiers. I beg you to show leniency," he told the five-member military tribunal.

More State cash for Air Malta

By Godfrey Grima — VALLETTA, August 12.

THE MALTESE Government is to pump more funds into Air Malta, the island's national carrier set up last year.

In Parliament last night Premier Dom Mintoff tabled a motion allowing the Government to increase its capital to £M955,000 from an existing £M400,000. This will give the Government a 75 per cent. control of the airline. Pakistan International Airways have a 20 per cent. interest and Malta Airways and Cassar and Cooper collectively have a 5.6 per cent. shareholding.

Mr. Mintoff told Parliament Air Malta needed to strengthen its cash flow with the leasing of a third aircraft taken on this summer. He added that the company, which last year, its first year of operation, lost £M500,000, is now doing much better. The company, which is again expanding its services to Europe, was now running scheduled, chartered and cargo services.

Mr. Mintoff revealed that a bid had been made by China and North Korea to stop over at Malta when their airlines eventually start operating to Europe.

Schmidt acclaims benefit of accord with Moscow

MOSCOW, Aug. 12

WEST GERMAN Chancellor Helmut Schmidt today acclaimed the economic and political benefits springing from Bonn's 1970 treaty with the Soviet Union. In an interview with the Communist Party daily Pravda, he also urged that the same good progress be made in other areas.

The Moscow Treaty, signed five years ago today and normalising relations between the two countries, had laid a good foundation for bilateral ties and European detente, Herr Schmidt declared, and had given the impetus for a three-fold boost in trade.

"Now it is essential that in other areas, too, similar results and concrete decisions be reached which would be useful *to the people of Europe,"* the Chancellor told the party newspaper's Bonn correspondent.

Herr Schmidt did not specify what areas he had in mind, but he was thought to be referring to greater personal contacts and a wider exchange of information *between people of the two countries.*

The 1970 treaty was the first of a series Bonn concluded with Eastern Europe, laying a formal beginning to former Chancellor Willy Brandt's Ostpolitik of reconciliation with the Communist world.

Soviet Party and government leaders sent a message to Bonn yesterday, saying the treaty provided an important stimulus for restructuring overall East-West relations.

Reuter

Soviet attack on art trade

MOSCOW, August 12.

THE OFFICIAL newspaper of the Soviet Ministry of Culture to-day called for legislation to stem what it called the flow of national art treasures out of the country by unofficial sales to foreigners.

The bi-weekly Sovietskaya Kultura was commenting on the recent trial of Vladimir Moroz, an artist formerly well-known in the foreign community in Moscow, who was jailed for making 340,000 roubles (£214,000) illegally on art sales.

The newspaper said he had sold, mainly to diplomats and correspondents, countless invaluable icons, antique furniture and paintings by early 20th century avant-garde artists such as Falk, Kandinsky, Malevich and Pirosmanashvili — whose work is rarely exhibited in the Soviet Union.

Reuter.

Oil states want new energy conference

GENEVA, August 12.

THE SEVEN oil producing and *developing countries* which took part in last April's abortive energy talks in Paris indicated to-day they were in favour of a resumption of the discussions, provided membership was enlarged and general financial questions were included on the agenda.

A brief communique issued after two days of talks here between delegates of the seven states—Algeria, Brazil, India, Iran, Saudi Arabia, Venezuela and Zaire—said they had considered the appropriate bases for resuming the dialogue with oil consumers.

The Paris talks, at which the U.S., Japan and the European Economic Community represented consumers, broke up after ten days, mainly because 'of differences of opinion' over whether the conference should deal with raw materials other than petroleum.

French President Valery Giscard d'Estaing said at the week-end that France, as hosts of the conference, would shortly send out invitations for the reconvening of the talks, perhaps in September or October.

Algeria, Iran, Saudi Arabia and Venezuela represented oil producers at the Paris talks, which constituted the conference's preparatory stage, while Brazil, India and Zaire put forward the views of developing nations.

Although the eight-line communique did not specifically say that the seven countries backed the resumption of the conference, sources said there had been general agreement that a renewal of the dialogue was necessary.

The participating countries repeated their view expressed in April that the conference should deal with raw materials in general as well as energy. They also said they wanted the agenda to include development co-operation and financial questions.

The communique said delegates wanted the dialogue to be held "in the framework of a conference which is sufficiently representative." The sources explained this meant the seven States were keen for the membership of the talks to be expanded.

Western industrialised nations supported the original convening of the talks because they hoped it would help stop the upward spiral of oil costs. But third world and oil-producing countries have demanded that the agenda be widened to include other commodities affected either by inflation or unstable prices.

Reuter

OVERSEAS NEWS

Portugal rejects Timor ultimatum

LISBON, August 12.

THE PORTUGUESE Government to-day rejected an ultimatum by the Democratic Union of Timor (UDT) to grant immediate independence to the Pacific colony.

An official spokesman said the families of the troops stationed there have been evacuated, but that the soldiers themselves were staying behind with the colony's Portuguese government in an attempt to salvage the situation.

The UDT was reported to have seized weapons from a police station and attempted to encircle the Portuguese military headquarters on Monday. But the government denied this represented a coup d'etat.

A government statement said the UDT delivered an ultimatum for independence to the governor to-day at noon local time and demanded a reply by 3 p.m. It said the union, a moderate grouping, also demanded that all members of the Left-wing Fretilin movement be imprisoned. "These conditions were unacceptable to the governor of Timor," a spokesman said.

The governor of Timor is maintaining a permanent dialogue with the Democratic Union, seeking a peaceful solution to the situation," the spokesman said. "Portuguese troops are patrolling Dili, but the situation is very tense."

In Canberra Australian foreign affairs sources reported that all was calm in the colony. A spokesman said the UDT controlled the harbour, the main police station and some other administrative buildings in Dili, but it did not have much control outside those buildings. Portuguese troops had been told not to interfere.

The Australian Government has asked Portugal to allow a foreign affairs official to enter Timor to assess the current situation, a spokesman said.
UPI/Reuter

Egypt tables final proposal

CAIRO, August 12

CURRENT TALKS towards a second stage Israeli withdrawal in Sinai appear to have reached the stage where everything—and, most of all, a successful outcome to the American initiative—awaits the arrival of Dr. Henry Kissinger, U.S. Secretary of State.

Egypt is believed to have passed its final position on the last Israeli offer after a meeting yesterday in the Mediterranean town of Mersa Matruh between President Sadat and Mr. Hermann Eilts, U.S. Ambassador. The chief remaining sticking point in the talks is the presence of Israel's existing electronic early warning system west of the Sinai passes, *according to* reliable sources.

Maps have been defined, it is believed, but outstanding questions relate to the methods whereby Egypt and Israel would survey each other's military movements.

Since Israel apparently wants to maintain some sort of observational presence to the west of the point which Egypt will hold as territory this is a crucial issue.

Indications have been given, however, that Dr. Kissinger may not come as soon as August 20, the date which many pressmen have been quoting for his return to the region. King Hussein of Jordan will apparently be in Damascus until August 22 and is planning to see Mr. Sadat in Cairo sometime afterwards.

Since a Sadat-Hussein meeting would logically precede a visit by Dr. Kissinger, this gives credence to the prediction that the latter will arrive at the end of August to finalise an interim agreement before Ramdan which starts in the second week of September.

Richard Johns writes: One sensitive aspect of a second interim agreement is believed to relate to the undertaking requested by Israel that Egypt should lessen the intensity of its *diplomatic and economic* boycott against the Jewish state. Like the pledge to allow Israeli cargoes through the re-opened Suez Canal, this would not appear in published form but be part of an exchange of letters between the Egyptian and the U.S. Governments.

This would be a token of non-belligerancy or the kind of "political disengagement" sought by Israel. But a statement yesterday by Mr. Mohammed Mahgoub, Commissioner-General of the Arab Boycott of Israel Office, threatened tighter measures—which it would be impossible for Egypt to ignore (see Page 15).

Together with the question of "linkage" — an Israeli commitment to embark on talks aimed at a second disengagement agreement with Syria on the Golan Heights — Israel's insistence on a slackening by Egypt of what it is essentially a pan-Arab economic and diplomatic offensive could prove a major stumbling block in the negotiations.

While Egypt finalised its position in Cairo yesterday, two senior Israeli officials began discussions with Mr. Joseph Sisco, U.S. Assistant Secretary of State, on a draft text of an agreement.

L. Daniel reports from Jerusalem: Mr. Mordechai Gazit, Director-General of the Prime Minister's office, and Mr. Meir Rosenne, Legal Adviser at the Foreign Ministry, have already agreed on an Israel draft version of a further interim settlement, according to informed Government sources here.

At the same time it is expected here that the date of Dr. Kissinger's next visit to the Middle East will be announced in the next 24 hours.

● Mr. Pinhas Sapir, Chairman of the Jewish Agency Executive and former Israeli Finance Minister, died of a heart attack to-day in Tel Aviv. He was 68. Mr. Sapir collapsed this evening while atending the dedication of a new synagogue. He was pronounced dead on admission to the Beersheda hospital.

● In Vienna, Israeli Prime Minister Yitzhak Rabin said that *there is no hope for peace east* of Israel as long as Arab countries recognise the Palestine Liberation Organisation (PLO) as the sole representative of the Palestinians.
Reuter

Israel may face a recession

By L. Daniel

JERUSALEM, August 12.

ISRAEL, regarded by some as spoiled by years of high employment, featherbedding and exorbitant demands for wages and fringe benefits, may be in for a recession similar to that of 1965.

This is the conclusion of a report prepared for the cabinet by the economic planning authority covering the years 1976/80. The planners foresee unemployment of 5 per cent. in 1976 and of 6 per cent. in 1977.

They do not expect any rise in personal consumption till 1980 by which time, they think, the national foreign currency debt will have swollen from $6bn to $10bn., with interest *payments eating up no less than* $1.5bn. a year (or three quarters of to-day's visible exports).

But, due to unemployment and its snowball effect on purchases, the trade deficit is expected to be $2bn. or 40 per cent. less than the $3.3bn. forecast for this year. The 1975 figure may in fact be lower due to a reduced level of economic activity from January to June and increased exports.

Thus output is expected to increase relatively slowly during the next three years. In the opinion of the planners, by 3.4 per cent. in real terms in 1975, 4 per cent. in 1976 and 5 per cent. in 1977. The unemployment expected in that year should make possible the structural changes in the Israeli economy required by the need to reduce the trade gap in general and to prepare the Israeli economy for the full impact of the recently signed agreement with the Common Market in particular. Such changes have hitherto been stultified by immobility of labour and the principle of "last in, first out."

Land reform is a pillar of the Ethiopian revolution. James Buxton looks at its chances of success

A distant harvest

RURAL life in many parts of Ethiopia has been convulsed during the past five months by the rapid implementation of land reform. It is much too early to say whether land reform will have the beneficial effects on production and rural life predicted by its supporters; but there are at least some signs that it has not had such dire effects as its critics said it would.

The economic need for land reform in Ethiopia has never seriously been doubted, not even by the last regime. The diverse systems of tenure have kept the production of the traditional sector at little above subsistence levels, and have contributed to soil erosion and deforestation whose effects have occasionally worsened into famine. The lack of suitable rural organisation—the result of "feudalism"—was a brake on any kind of rural development, such as the building of rural roads, wells and schools. The land tenure system was a prop to the old regime, which though aware of the ultimate need for reform, was content to rely on a small but efficient commercial sector to feed the towns and earn foreign exchange.

As a very crude generalisation there were two main land tenure systems before reform was proclaimed on March 4 this year. In the north of the country most land was owned communally, either on a village basis with the available land constantly being subdivided to meet the rise in population, or on a lineage basis, under which every descendant of an original founder had a theoretical right to part of the land. The units were usually very small, and often uneconomic for even the tiny number of oxen and other capital equipment employed.

In the rest of the country land was generally owned by large landlords. They either let it out to small tenants extracting high rents and giving no security of tenure beyond the next crop; or occasionally farmed it on a commercial basis often using modern machinery, sometimes having to evict tenants to clear the land.

Any Ethiopian land reform system would ideally have to suit both these tenure systems. It would also have to ensure as small a drop in production as possible, to devise a system of title to land in an inadequately mapped country with only the vaguest data about population, and to be enforceable in a country as wild and diverse as Ethiopia. A World Bank report recommended a few years ago that Ethiopia should tackle land reform slowly, province by province, so that the government could learn by experience and develop the necessary back-up services at a practical speed.

In the event, however, the ruling council or *derg* felt itself trapped by its promises and rushed into land reform. It nationalised all land, abolished landlord-tenant relationships, and took over many of the commercial farms itself. The rest of the land it to be leased back to the peasants, who will be allowed a maximum holding of 10 ha, which the government hopes will be farmed communally with other peasants. The people have been urged to form peasant associations on areas of 800 ha, in the first instance to cultivate the land during this year's sowing season (which recently ended), and later to organise harvesting and allocation of its fruits, and finally, subject to a decree yet to be announced, to decide how to divide up title to the land itself.

Most of the problems of land reform have yet to be solved. . . . The real test is likely to come next year when the new managements have to plan and when spare parts may be running out.

In the northern provinces of Tigre, Begemdir and Gojjam land reform has not had much effect. Since the land is already in small units the main purpose of establishing peasants' associations is to make the working of the land more economic by communal farming methods. Although a number of associations have been set up, the land reform officials involved report that deep rooted traditions have so far impeded progress to communal farming. Because of the troubles in Eritrea land reform has scarcely been attempted in that province at all.

In the landlord-tenant areas further south land reform has been more effective. The peasants appear in many cases to have been delighted at the breaking of the feudal bonds and in many areas peasants' associations have been set up on a large scale, spurred on by land reform officers and students, who have been sent out into the countryside to propagate the revolution. In some areas there are reports of villagers teaming up to plough the land communally with trains of oxen. Some villages where land has been taken over from big landlords now have tractors and machinery to use and the area under cultivation may even have increased. Those large landowners who were not absentees have usually left, either for the towns or to go into hiding in the mountains. In other areas isolated fighting *is going on.*

But most of the problems of land reform have yet to be solved. Where the area under cultivation has increased because of mechanisation the new associations may find they do not have the labour to harvest it—and they are forbidden to hire labour. More serious is the question of how the associations decide to apportion the harvest among their members. It will be very difficult to devise a system of rewards which will take account of the fertility of each peasant's own holding, how much time he has worked during the year, how good his oxen are and so on. The Government is expected to produce a decree on how, at the end of the year, it expects peasant associations to allot the title to the land; ideologically *it has said it favours* communal ownership with no private title but apparently it realises that this might not be practical. To date there is nothing to prevent ex-tenants farming their patches of land on their own, and each one has of course been promised up to 10 ha.

Another major problem is that of getting the agricultural inputs. Landlords often provided oxen, seed and even fertiliser, which now have to be provided by someone else. In the past few years the Ministry of Agriculture set up the Extension Project Implementation Division (EPID) which now has 347 extension centres, particularly in the north of the country. They provide advice, marketing services and farm inputs. EPID is now working desperately, especially in the south of the country, to fill the gap left by the landlords.

EPID, although taken aback by the demands for its services which the government laid it open to, immediately put out an eloquent appeal to international aid donors which produced an immediate US$3.5m. from the World Bank and other agencies. The Swedish government is also contemplating aid. The money is being spent on providing oxen and seed.

But the extra services are very thinly spread over the whole country and there is a serious risk of disappointment. In fact, there is widely voiced alarm in Addis Ababa that the present enthusiasm of the peasant associations may give way to disillusionment.

The effect of wholesale nationalisation on the commercial farming sector is hard to quantify. No compensation is being paid to landlords for land but it has been promised (but not paid) for machinery, and may also be paid to companies which previously owned plantations. The very small commercial farms have not normally been affected, except where the students have—contrary to the wishes of the Government—taken the law into their own hands. In some remote areas such as the far north-west of the country pioneer farmers have not been nationalised.

On the medium-size commercial farms peasants who live nearby, or who claim to have been dispossessed in the past, have usually taken over the farms. In some cases they are being operated on a communal basis and EPID has stepped in to take over the tractors and pay tractor drivers on behalf of the peasant associations. The large farms have been taken over by the Ministry of Natural Resources, which has often replaced the management but in some cases retained the old management. It is hard to tell how this policy is working out. Visiting Ethiopia one hears stories of farms still operating well, and others of farms where lines of tractors stand idle; of expatriates offering to continue working on a contract basis, and getting no response, and others who have been taken on.

It seems likely that there will be at least some loss of production this year. The real test is more likely to come next year, however, when the new managements have to plan ahead and when spare parts may be running out. Of vital importance to Ethiopia's balance of payments is the coffee harvest, which begins in October. Although the coffee plantations have been nationalised the coffee exporters have not been, and a great deal depends on how successfully they operate in the market.

Agricultural production, especially on the larger units, usually declines in countries where land reform is undertaken. Ethiopia has to overcome the teething troubles and then try to realise its agricultural potential, which *is very great: the soil is mostly* very good and the climate in most areas has well balanced quantities of sunshine and rain.

Papua fails to get aid

PORT MORESBY, August 12.

PAPUA New Guinea's Chief Minister to-day accused Australia of economic mismanagement following his failure to secure a promise of long-term aid after the Australian territory becomes independent on September 16.

Mr. Michael Somare told a Press conference here after returning from talks in Sydney with Australian Prime Minister Gough Whitlam that Australia had gone back on a promise in 1970 to grant his country first call on aid programmes. "This is clearly not the case now," he said.
Reuter

Euphrates deal 'agreed'

DAMASCUS, August 12.

SYRIA has agreed to a settlement with Iran on a division of water from the River Euphrates, and the two neighbouring Arab countries will sign an agreement later, a statement said here to-night.

The settlement came after mediation by Saudi Arabia and a two-day visit to Syria by its Crown Prince Fahd Ibn Abdulaziz and Oil Minister Sheikh Ahmed Zaki Yamani.

Disputes over the Euphrates waters, made more bitter by the political rivalry of the Ba'ath Government leaders of the two countries, led early this year to a war of words in which Iraq threatened drastic action to secure a greater supply. Iraq has accused Syria of cutting off its supply while Syria replied it was giving Iraq more than its due share and this had created a shortage for itself.

Syria has now agreed to Saudi proposals that Iraq should be given a specific share of the waters flowing into Syria from Turkey. The Euphrates rises in the mountains of Eastern Turkey and crosses north-eastern Syria before flowing out over the fertile plains of Iraq.
Reuter

Cabinet in Sabah reshuffled

KOTA KINABALU, August 12.

TUN Mustapha Harun, chief minister of the east Malaysian state of Sabah, to-day consolidated his position by reshuffling his cabinet. The reshuffle left a question mark over his announcement yesterday that he intended to resign.

The reshuffle gave some kind of official post to almost all his supporters in the assembly. Nine were appointed to the cabinet of state Ministers, nine more became ordinary Ministers and five were named as political secretaries.

With the addition of Tun Mustapha himself as chief Minister, this means that 24 of the 38 state assembly members now hold official positions.
Reuter

Indian Press may be 'restructured'

By P. C. Mahanti

CALCUTTA, August 12.

INDIA'S Minister for Information and Broadcasting Vidya Charan Shukla has told a gathering of newspaper proprietors in Calcutta that the Government has no intention of nationalising the Press, but it contemplates restructuring the entire newspaper industry.

Kenya expels Tanzanians

DAR ES SALAAM, August 11.

THREE HUNDRED Tanzanian workers were expelled from Kenya yesterday and are now in refugee camps awaiting resettlement, the official Radio Tanzania reported to-night. The Tanzanians, all employed at Mombasa, the Kenyan port, were ordered out of the country by Kenyan authorities who gave no reason for the move, the radio said. Many of the workers were forced to leave behind their belongings and families, it added.
Reuter

Vietnam to fight on at UN

UNITED NATIONS, Aug. 12

NORTH and South Vietnam, barred from United Nations membership by a U.S. double veto, to-day vowed to carry their campaign into the general assembly.

A high U.S. source speculated that, while the assembly, where there is no veto, could not confer full membership, it might give them permanent non-voting seats.

This would give North and South Vietnam similar status to that accorded the Palestine Liberation Organisation (PLO) by the assembly at last year's session.

The U.S. representative, Mr. Daniel P. Moynihan, last night cast the eighth and ninth U.S. vetoes in UN history against the Vietnamese states, in retaliation for the council's refusal last week even to consider a membership application from South Korea.

The vote on each of the Vietnamese applications was in favour and one—the U.S.—against with Costa Rica abstaining.

Britain, France, Italy and Japan, all voted in favour, but said they would have preferred being able to vote for South Korea as well.

It was the first time the U.S. had used its big power veto to prevent a country from joining the world organisation and the first time it had cast two vetoes at the same meeting.

The Soviet Union has used its veto 110 times, Britain 13 times, France six, and China twice.

The 30th session of the assembly, opening on September 16, is also expected to adopt a resolution calling on the council to reconsider the Vietnamese applications.

The U.S. is considered certain to veto again if South Korea is barred.

The UN observer of North Vietnam, Mr. Nguyen Van Luu, and his South Vietnamese colleague, Mr. Dinh Ba Thi, issued a statement last night saying the council vote had clearly shown the isolation of the U.S.

They expressed confidence that the Assembly session would demonstrate strong support of the great majority of countries for the admission of the two Vietnams and would refer the issue back to the Security Council.

"The more the U.S. Government pursues its hostile policy towards Vietnam, the stronger the protest they will meet," the two envoys declared.
Reuter

Oil hopes of Bombay area

BY K. K. SHARMA

NEW DELHI, August 12.

INDIA'S Oil and Natural Gas Commission has finalised plans for production of up to 2m. tonnes of crude annually from the rich "Bombay High" region from about 16 developmental wells by the end of 1976.

Two more drilling rigs—in addition to its platform "Sagar Samrat"—are being acquired for this purpose this month. In addition, a turnkey contract for four wells cum production platforms, supply and installation of a submarine network of pipelines and installation of two single buoy moorings has been awarded to the American firm of McDermott whose fabrication yards are in Dubai.

It was officially stated to-day that the first stage of development of Bombay High, where oil was first struck in February, 1974, is envisaged from the 16 developmental wells, as distinct from the five exploratory wells successfully drilled so far.

The Commission's platform will be joined this month by two semi-submersible type platforms—Hkkon Magnur, of Norway, and Dalmoboy, of Britain—this month and all will begin drilling early in September. It is hoped that Bombay High will eventually yield a production of 40m. tonnes of crude annually and make India self-sufficient in oil.

● A separate financial institution to provide long-term finance for exports is to be set up by the end of this month. A decision on such an institution is to be taken on the basis of recommendations of the Export-Import Bank Committee which submitted its report to the Government on August 4.

S. Africa 're-deploys'

BY JAMES BUXTON

SWAPO, the South West African Peoples Organisation, claimed in London yesterday that the South African policemen being withdrawn from Rhodesia were being sent directly to Namibia (South West Africa). It also claimed that three regions in the north of Namibia were under total military police occupation.

Mr. Moses Garoeb, the administrative secretary of SWAPO, said that the organisation's military wing, the Peoples Liberation Army of Namibia (PLAN), had scored major successes against South African forces. He said that on April 9 a South African military camp was overrun in the eastern Caprivi Strip and that "around 200 South African soldiers were either killed or wounded." Later, however, he said that many of the 200 casualties may have occurred in subsequent fighting in the past three months.

Mr. Garoeb also claimed that on July 24 there was a fierce engagement between SWAPO and South African forces in which "many enemy soldiers were killed or injured." SWAPO, said Mr. Garoeb, captured six South African soldiers who were now being held as prisoners of war. It had informed the International Red Cross and was treating the prisoners in accordance with the Geneva convention, said Mr. Garoeb.

Questioned on these claims, Mr. Garoeb refused to say how many troops were engaged on either side, what losses SWAPO had suffered, whether the prisoners were white or black, and what SWAPO intended to do with them. He said that South Africa had, naturally enough, recently clamped down heavily on news about Namibia.

Mr. Garoeb said that Namibia was now the "first firing and defence line for the South African armed forces." It was for this reason, he said, that the police forces withdrawn from Rhodesia were now being deployed in Namibia.

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HOME NEWS

Riots shatter Londonderry peace as 'boys' march

BY OUR OWN CORRESPONDENT BELFAST, August 12.

THERE WERE CLASHES between rival crowds of youths in Londonderry to-day when the Provisional Loyalist Apprentice Boys march went through the old city on the mainly Catholic West Bank of the River Foyle for the first time since 1969.

Some stones and bottles were thrown after Catholic youths shouted insults while the parade was temporarily halted.

A crowd of Loyalists ran into Shipquay Street where they fought with the Catholics. Police and troops managed to separate the rival factions.

Later youths threw stones and bottles at Army posts on the fringes of the Bogside but an Army spokesman said it had all been fairly minor stuff so far.

It was the widespread disorders which followed rioting sparked off by the Apprentice Boys march in 1969 which led to the Army coming onto the streets of Ulster for the first time.

The sudden outbreak of rioting in Belfast at the week-end may have made this an inauspicious year to allow the Apprentice Boys back along a part of their traditional route.

In recent years they have been confined to the mainly Protestant Waterside district on the East bank of the river.

However, the security authorities were aware of all the circumstances when they gave permission for the revised route because it was only granted late on Monday night, although there had been earlier negotiations between the authorities and officers of the Apprentice Boys.

In the centre of Belfast Army bomb disposal experts foiled an attempt to cause a serious explosion. They defused a bomb on a hi-jacked lorry outside Musgrave Street police station.

Giles Merritt adds from Dublin: The tense Northern Ireland situation figured prominently at the Irish Government's Cabinet meeting.

No communique followed the Cabinet review, but it is known that the accelerating trend in sectarian confrontations is causing the Dublin Government particular concern. The activities of Protestant para-military organisations inside "murder triangle" — the border area between Portadown, Lurgan and Dungannon—have in the past been the subject of representations to Westminster. In the wake of continuing riots in Lurgan and the July 31 UVF killings of three members of Ireland's Miami Showband Pop group it is thought the situation is once again the subject of top-level discussions.

Although the Irish Cabinet is also understood to have reviewed the possibility of a breakdown of the Provisional IRA ceasefire, it seems that at present there is no immediate IRA move towards a return to open hostilities and a concerted terror campaign in either Ulster or Britain as a whole.

In spite of yesterday's statement by the Provisional IRA admitting having taken part in many of the 20-odd gun battles in West Belfast on Sunday night in breach of the seven-month-old ceasefire pact, the precarious truce still seems to be holding.

British Caledonian move to begin flights to Houston and Atlanta

BY LORNE BARLING

BRITISH CALDONIAN Airways, which ended its scheduled North Atlantic service during recent cutbacks, moved yesterday to initiate services between the U.K. and the potentially profitable routes to the southern U.S. cities of Houston and Atlanta.

"British Caledonian will press ahead at the earliest opportunity for designation as the U.K. flag carrier to serve the cities," the company said. It estimated that services could start in April 1977.

In a preliminary move to secure its position, BCAL yesterday applied to the Civil Aviation Authority to vary its licences to the cities, suggesting that British Airways "may take advantage of a technicality to destroy our operating rights."

In view of Government policy not to allow dual designation, or competition between British airlines, it was feared that the Boston and New York stopover rights on the licence may have been used by British Airways as a reason for preclusion.

"London-Boston and London-New York are dual designation routes but U.K.-Atlanta and Houston are not," BCAL said. "British Airways has never applied to serve these points and no carrier operates between them and the U.K."

However, before BCAL can press ahead for designation as the U.K. flag carrier, the U.S. must name Atlanta and Houston as gateway airports under the air services agreement.

The airline's enthusiasm to introduce services as soon as possible is based on promising figures about traffic originating from Houston, which last year rose by some 15 per cent. on 1973 figures and defied the national trend when U.S. transatlantic traffic dropped by some 7.6 per cent.

The reason for this growth is almost certainly North Sea oil operations. Although the new service would initially be from London to Houston, the U.S. oil capital, services would later be routed via Scotland in there were adequate traffic.

Pan Am told to conform on commission rates

BY LORNE BARLING

PAN AMERICAN Airlines, which recently lost an Appeal Court battle to pay higher than normal commission to retail travel agents, was yesterday told by the Department of Trade to come into line. British Airways, another of many offenders, received a warning.

The department asked Pan American for an assurance that they intend to operate "strictly in accordance with the approved rates of agency commission." These are 7.5 per cent. of the applicable published fare and an additional 2.5 per cent. for inclusive tours.

But it also told the airline that if they needed more time to comply with the court ruling, the department was prepared to discuss the matter.

However, the court's confirmation of the department's power to impose conditions on agents' commissions abroad for flights to the U.K. has clearly been challenged.

As a result, Pan Am will not be required, for the time being, to conform to the approved levels of agency commission for ticket sales within the U.S. for travel to the U.K. This question was under discussion between the two governments, the department said.

● Arthur Sandles writes: The Civil Aviation Authority has confirmed that it has told tour operators to restrain their sometimes over-enthusiastic surcharging on foreign holidays or they will endanger their operating licences.

CAA irritation has already been aired unofficially, but yesterday the Authority said in a statement that it had "made it clear to the Association of British Travel Agents and to the trade that practices of this kind (late surcharging) could be relevant to the fitness of the travel organisers concerned to hold air travel organisers' licences."

Electrolux washing machine plan

BY ARTHUR SANDLES

ELECTROLUX, the British arm of the Swedish-based electricals group, is considering filling the obvious hole in its consumer goods range by launching a washing machine in Britain.

Research in this fiercely competitive market has shown that a large slice of the public think the company already makes washing machines, so part of the launch problem has been overcome in advance.

The £100m. washing machine business is feeling the impact of 25 per cent. VAT and overall consumer markets are hardly buoyant at the moment, so the news has aroused something of a stir in the trade.

Electrolux is not a stranger to washing machines. It makes consumer machines in other countries, but these are not entirely suitable for the British market. It is also very strong in the industrial laundry and laundromat businesses, particularly in hotels.

Just as no decision has yet been made as to whether to enter the washing machine market, certainly no plans have been laid as to whether the machines would be produced by the company itself or by another manufacturer. If it were decided to go ahead with production within Britain there is some doubt over whether the company could manage this from its present Luton facilities.

This would mean that it would have to buy a new factory.

Evening News warns of staff cuts

BY LORNE BARLING

The newspaper industry was dealt another blow yesterday when the Evening News, one of London's two afternoon papers, warned of cutbacks which will mean a reduction in staff and other economies.

Mr. Vere Harmsworth, chairman of Associated Newspapers Group, said yesterday in a letter to Evening News staff that major savings were needed. Urgent talks were wanted with the unions at which proposals for cutbacks would be put forward.

"These will in no way put the paper back into a profitable position at the present time and the paper will still be a major drain on the company's resources."

Yesterday the company would not disclose the magnitude of the proposed staff reductions, but it is understood they will relate to longer-term plans to introduce new production techniques. These are felt to be essential if the cover price of the newspaper is to remain at a level acceptable to the public.

In his letter, Mr. Harmsworth said: "The general fall in the sale of all London evening newspapers following recent price increases and the downturn in advertising following the economic recession has led to a situation where the current and projected loss rate can no longer be sustained." He was sure the paper could have a future, given co-operation from the staff.

Management and unions at the Observer made "sufficiently encouraging" progress in talks at the Advisory Conciliation and Arbitration Service yesterday to agree to continue negotiations to-day in a bid to avert a threat to the newspaper's publication next Sunday.

The Observer will again be trying to persuade the printing unions to accept its plans for cutting costs by a 30 per cent. reduction of manning levels. In the meantime, the paper has met union objections to negotiating "under duress" by withdrawing the 200 redundancy notices issued last week on the understanding that they will be reimposed if there is a failure to agree.

IPC drive to boost women's weeklies sales

By Pamela Judge

IPC MAGAZINES is to spend £1.2m. to boost sales of its "big four" women's weeklies, which have shown a combined loss of over 550,000 in circulation over the first six months of the year.

The drive follows the recent closure of the monthly magazine Nova and is an "expression of determination to demonstrate forcibly that there is enormous activity and growth in the women's weeklies," according to Mr. Barney Barnett, director of publicity and promotion.

The campaign to reverse the trend, one of the biggest for the magazines, will be in two phases. Some £520,000—on TV—will cover the September 13-27 issues and will "sell the attributes of each title." During that period the weeklies will carry vouchers and other special offers.

NEWS ANALYSIS—SKELMERSDALE UNEMPLOYMENT

Ghost in the dream-town

BY PETER FOSTER

IT IS hard to imagine the sheer size of the unemployment threat which this week hangs over the spacious and attractive New Town of Skelmersdale, Lancashire, as it bathes in the August sunshine.

Situated 18 miles north-east of Liverpool between Wigan and Ormskirk, this model development was intended to play a key role in reviving a declining area by taking population from Merseyside and by forming one of the "growth points" for the troubled North West as a whole.

But it now finds itself faced with a situation which could take its unemployment rate — at 8.9 per cent. already twice the national average—well above that of the region for which it was meant to provide a lead.

Within the last couple of weeks, its two major employers, Thorn Colour Tubes and Courtaulds—which between them employ more than 20 per cent. of the town's 11,500 labour force —have announced that their factories may have to close.

Problems

Courtaulds has already revealed that its plant will be shut down for at least two weeks from next Monday, while Thorn, whose workers were meant to come back from their annual holiday this week but have been given an extra week "to help with the stock position," face a decision on redundancies and possibly total closure soon.

For the town's population of over 40,000—around three-quarters of whom have come from the high unemployment and poor housing conditions of Merseyside—the prospect of these closures threatens to turn a dream into a nightmare.

For Government, Skelmersdale could become an acute embarrassment, not just because it threatens double-digit unemployment, but because it seems to indicate a flaw in regional policy.

The town—with its neat rows of corporation-provided houses and its aseptic-looking factories linked by well-kept greens and ample dual carriageways—does not easily fit the traditional picture either of the North West or of its unemployment problems.

However, the fact that 1,900 people are now "on the register," means that the region's traditional human patterns are reasserting themselves as groups of unemployed men begin to gather in the town's big central shopping concourse.

Ironically, one of the development corporation offices sits beside the local betting shop and the lack of business in the former is highlighted by the volume of the clientele, if not the money changing hands, next door.

Skelmersdale's fundamental problem lies in the fact that although it has attracted a fairly wide range of industries with the array of assistance available—ranging from grants and regional premiums to comprehensive training facilities and preferential treatment for Government contracts—it remains dependent on two or three large concerns whose problems could turn "Skem" into a ghost town.

In addition, it has no service industry "cushion" and is overwhelmingly dependent on manufacturing, which is always the first sector hit in a recession.

Competitor

Thorn, with its huge windowless factory, is Skelmersdale's largest employer, but its coloured tube division lost £4.5m. last year.

The imposition of 25 per cent. VAT on televisions in the last Budget will make the situation much worse in the present year.

Faced not only with a slump in overall sales but with fierce competition from Japanese component manufacturers, the prospects of the plant—which is 49 per cent. owned by RCA, the U.S. electronics group—look dim.

Together with other component manufacturers, Thorn has placed a "dumping" case against the Japanese before the Department of Trade. But even if the department takes action against the Japanese or a voluntary agreement to restrict imports is reached—as in the case of built-up sets from Japan—underlying demand remains grim and promises to get worse.

As for Courtaulds, the U.K. textile industry is already in the depths of recession and the £7m. Skelmersdale plant, which is the largest mill in Europe, has been sitting under a sword of Damocles for some time.

This part of Lancashire is traditional textile country, but should the Skelmersdale factory close, the chances of Courtaulds' trained staff getting work elsewhere in the region — in the plants of Wigan or Preston or Aintree—is remote.

Courtaulds' factory has been given "eleventh-hour" reprieves before but many workers, although they find it hard to believe, are afraid that they may not be going back to work after the factory's two-week closure from next Monday.

The manager of the local Employment Agency points out that if the Thorn and Courtaulds factories close, there is almost no chance of their employees finding work in the town, since, although there are around 1,000 vacancies in the pipeline, this is still only half the present unemployment level.

The agency has one of its staff now permanently approaching employers "on spec" to try to winkle out jobs, but the task is an uphill one, particularly when one remembers that the town's third largest employer is Dunlop.

It has so far avoided any large-scale redundancies, although it has been laying people off, but its markets are scarcely more promising than those of its two larger neighbours, so it offers little hope.

There is a tendency for the people in the town, including employees of the development corporation, to refuse to believe that the closures will ever come about. After all, was not the whole idea of the new town to provide jobs? But the threat remains all too real.

It is perhaps grim irony that the one "employer" whose work load will increase in the next few months is the Department of Health and Social Security. But that is one "growth point" that was never intended.

Tricentrol given new oil finance guarantee

AN INTERIM guarante for a further £7m. of bridging finance has been given by the Department of Energy for the development costs of Tricentrol North Sea's share of the Thistle oil field.

Two months ago, the Department authorised a similar guarantee for £3m. of bridging finance for the same purpose. The total of £10m. will carry an interim guarantee expiring on June 10, 1976. It forms part of the Government's maximum liability of £38.3m. under arrangements announced on April 30.

The £10m. is expected to be sufficient for Tricentrol's needs pending the completion by the company of arrangements for long-term finance. In this respect, Barclays Bank (London and International) and N. M. Rothschild and Sons have agreed to conduct negotiations to raise the necessary finance for Tricentrol's development costs in the Thistle field.

Gas fixture charges to be reduced

INCREASES IN gas appliance servicing charges, planned for this autumn, are to be reduced after an appeal by the National Gas Consumers Council.

The British Gas Corporation has agreed to a "vigorous" demand by the Council that increases should be limited to 10 per cent. and that the 15 per cent. rise originally proposed to take effect from October 1 should be dropped, although they have already been approved by the Government.

Sharp new head of accountancy

BY PHILIP RAWSTORNE

MR. KENNETH SHARP, a former president of the Institute of Chartered Accountants, is to be the first head of the Government Accountancy Service, it was announced from Downing Street yesterday.

The post has been created following the recommendation made by Sir Anthony Burney and Sir Ronald Melville in a report two years ago on the use of accountants in the Civil Service.

Mr. Sharp, at present senior partner in a Carlisle accountancy practice, will also be accountancy adviser to the Department of Industry. The appointment takes effect on November 1 and the post, at Second Permanent Secretary level, will carry a salary of £17,175.

With direct access to the head of the Civil Service, Mr. Sharp will advise on the formation of the Government Accountancy Service and on all aspects of the work, recruitment, deployment and career management of professional accountants employed in Government departments.

As adviser to the Department of Industry, which provides a common service to the Departments of Trade, Prices and Consumer Protection, and Energy, Mr. Sharp will give professional advice in accountancy and related management techniques to Ministers and senior officers

Men and Matters, Page 10

Tory treasurer

MR. ALISTAIR McALPINE, director of the McAlpine construction company, who played an active part in the EEC referendum campaign has been appointed a joint treasurer of the Conservative Party.

Obligatory insurance for offshore rig workers

BY PHILIP RAWSTORNE

EMPLOYERS will be required to obtain insurance cover against personal injury claims by their employees on offshore gas and oil installations under new safety regulations laid before Parliament yesterday.

The regulations, which come into force on September 1, will also impose a duty on concession and installation owners to ensure that the requirement is met.

Employers and owners will each be liable, on summary conviction, to fines of up to £200 for every day on which insurance cover is not in operation.

The new regulations will form part of a comprehensive statutory code on the safety of offshore installations. Seven sets of rules have already been introduced, covering the registration, design, construction, and inspection of installations. Two other sets of regulations are expected to be published by the end of the year covering general safety matters affecting day-to-day operations, health and welfare of personnel and emergency equipment and procedures.

Eric Short writes: Under most, if not all, insurance contracts for offshore installation employers' liability will be covered in full. In practice, since such installations are manned by a polyglot crew, the cover will generally be related to the insurance laws of the country of the employee rather than to U.K employers' liability legislation, especially if this provides for higher cover.

Electrical engineers plan to resign from council

BY STEWART DALBY

THE INSTITUTION of Electrical Engineers is to go ahead with its plan to withdraw from the Council of Engineering Institutions.

But the decision on whether the IEE can pull out rests with the council and the meeting scheduled for next month to decide the issue promises to be a stormy one with the council fighting to keep the IEE within the body.

The most likely outcome is that the IEE will be asked to give a year's notice of resignation.

It is understood that the council hopes the year will serve as a cooling off period and that by the end of it the IEE will have changed its mind and decided to remain within the body.

A spokesman at the IEE said yesterday that the organisation was determined to leave the council after its failure to adopt IEE proposals for restructuring the CEI governing Board.

The IEE wants chartered engineers at large irrespective of their speciality within the profession to be able to vote at CEI governing Board meetings.

Harrods to charge for credit account borrowing

BY ELINOR GOODMAN

MONEY is expensive even at Harrods, a spokesman for the store, conceded yesterday. That last bastion of gracious shopping has bowed to the times and has announced it intends dropping its interest-free credit accounts.

In future, customers who do not pay their bills in full within 28 days will face a 1¼ per cent. "service" charge.

Not, of course, that it will affect many of Harrods' 120,000 account customers, the spokesman was quick to add. "Most of them pay promptly."

Customers who do not want to pay their full bill within 28 days will now be given the option of paying off 15 per cent. or £6—depending on which is the greater—and then paying interest at the rate of 1¼ per cent. on the outstanding debt.

Customers who pay within a month will continue to be given a maximum of 27 days' free credit.

What the letter does not say is that Harrods is aiming to get rid of interest free accounts completely.

But a spokesman said firmly yesterday that it was the store's policy to stop giving its customers free credit for more than a month. "It's a luxury we simply can't afford," he said. "Money is too expensive."

Laws to speed tax payments attacked

By Michael Blanden

THE LEADING accountancy bodies in the U.K. have attacked the provisions in the Finance Bill for speeding payment of tax, but have received only a modest acknowledgement of their objections from the Inland Revenue

In a detailed memorandum on the Bill submitted last month, the consultative committee of accountancy bodies asked for the clauses concerned—numbers 44 and 45 of the revised Bill—to be withdrawn and for a joint working party to be set up to study the problems and to recommend "more practical solutions."

The clauses provide for interest to be charged at 9 per cent on tax not paid at the due date, and the accountants argued that the provisions were "harsh and administratively impracticable"

They considered that the provisions would place accountants "under the severest pressure," would lead to further delays in the submission of returns and computations and would "strain relationships between the Inland Revenue and the accountancy profession."

The new rules, it was argued, would also discourage the making up of appeals leading in some cases to tax being charged on excessive figures.

The accountants also commented on the need for keeping various levels of tax reliefs, allowances and thresholds in line with current monetary values.

Until a method of indexing tax allowances could be introduced, the accountants said, all reliefs, allowances and thresholds should be updated annually. In particular, they drew attention to the erosion of the benefits of personal reliefs.

Commenting on the introduction of multiple rate VAT, the accountants argued that it would increase the administrative work of traders professional advisers and Customs and Excise. They recommended that on grounds of simplicity and certainty the goods on which the higher rate tax is levied should be defined more closely, that parts should be taxed at the same rate as the article to which they are applicable and that repairs, maintenance and valuations should continue to be taxed at the standard rate.

MPs' SUB-COMMITTEE REPORT

Car industry 'ignored three vital areas'

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

INEVITABLY much of the trade and industry sub-committee report on the motor industry, published yesterday, deals with British Leyland's problems. But it also looks at the whole of the British motor industry, pointing to its strengths and weaknesses, and at the world market.

The British industry's strengths in the commercial vehicles market, it argues, derive from the Second World War, when car production was reduced but investment in CV productive capacity was expanded by 60 per cent.

Car producers, on the other hand, faced a seller's market after the war, and, going for short-term profits, ignored "the three vital areas of industrial relations, marketing and after-sales service—to the long term disadvantage of the industry."

By the period of the mass mergers in the industry, Leyland Motors proved not to have the resources to pull round BMH, and Chrysler was unable to bring Rootes back to profitability. Both Vauxhall and Chrysler, the report concludes, "are in a long-term loss-making situation—most probably because of lack of scale."

Investment

However the report emphasises that there are areas of great strength in the British industry, chiefly in the components sector ("the component makers are highly efficient"), in commercial vehicles, and in research, design and development.

In car manufacturing, on the other hand, the British industry has consistently operated below potential, 1972 being the best year, when the industry achieved about three-quarters capacity.

Despite the industry's good export record — which has improved because of the strength in parts, accessories and CVs — the committee notes that there is now scope for helping the balance of payments by substituting home-produced cars for imports. It also stresses its concern that the import content in plant and machinery investment in the U.K. "has risen from 12 per cent. in 1963 to 48 per cent. in 1974.

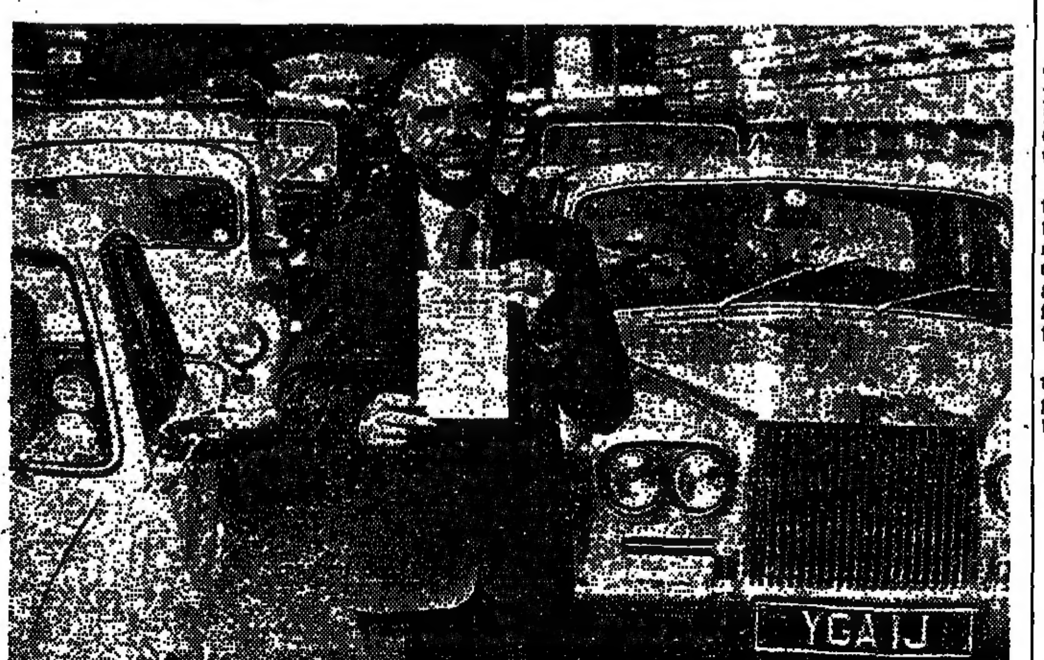
Some of the difficulties have been created for the car industry by random changes in fiscal policy, the committee suggests.

Inefficient

Low investment, the committee argues, is at the root of the productivity problem. Since 1964, it says, investment has been very largely devoted to replacement. For example: "In 1973, Ford had net fixed assets of £211.2m. compared with £179.1m. in 1965. Over this period wholesale prices almost doubled and retail prices rose by almost 70 per cent.; thus the real value of Ford's fixed assets appears to fall considerably."

On efficiency, the report says that the low volumes of manufacturers such as Chrysler and Vauxhall put them at a distinct advantage. Ford's strength derives from its ability to spread development costs across its European operation. The British industry has also been chronically inefficient in utilising its capacity.

In general, the British industry has not had a good rate of return on capital: "Over the period 1967-71 the average rate of return on capital employed in the West German, French, Italian and British industries was 12.4 per cent., 6.8 per cent., 4.8 per cent., and 3.4 per cent. respectively."



Mr. A. E. P. Duffy, chairman of the Trade and Industry Sub-Committee, seen in the midst of London traffic with his motor industry report.

The report agrees that part of the efficiency problem is due to overmanning—itself partly a product of low capital investment, and partly of simply employing too many people for a job. It recommends a detailed industry-wide study of the problem.

On the question of finance from public sources, the committee criticises the Department of Industry for having no clear formulation "of the objectives of making public funds available to industry."

On marketing it stresses the need for greater awareness of consumer preference, and the "paramount importance of producing a reliable and fault-free product in the first place." Post-delivery dealer checks are not an acceptable substitute for competent manufacture and inspection by the producer.

Industrial relations, it suggests, would be improved greatly by better communications, and it suggests that at British Leyland there is possibility that some of the advantages of measured day work could be combined effectively with piece work.

In its concluding chapter, it suggests that the considerable world capacity for motor cars offers a great danger to the British industry. "European overcapacity and the likelihood of vigorous pricing reaction once again suggests the vulnerability of Ryder's profit forecasts," it concludes.

Adding a hard rider to Ryder, Page 11

LABOUR NEWS

Joint approach sought by Swan Hunter strike unions

BY LORELIES OLSLAGER

NATIONAL union officials representing 5,000 workers on strike at the Tyne shipyards of Swan Hunter will meet in London tomorrow to try to agree a joint approach towards the dispute which is developing into a serious challenge to the Government's £6 pay policy.

However, divisions between the main unions over the policy may make it difficult t oagree on a joint recommendation to put to shop stewards on Friday. The General and Municipal Workers' Union, representing about 3,000 of the strikers, has already urged its members to return to work and modify their pay demand which clearly breaches the anti-inflation policy limits.

It is unlikely, though, that this line will be endorsed by all the other unions at to-morrow's meeting. Mr. Len Edmondson, national executive member of the Amalgamated Union of Engineering Workers—which is one of the leading opponents of the policy—made it clear yesterday that the AUEW's 600 members would not be urged to return on the basis of the management's offer.

The five-week-old strike has laid off another 5,000 men — mostly boilermakers and electricians — and has stopped all work at Swan Hunter's Tyneside yards, leading to delays in the company's shipbuilding programme.

The strikers, who are outfitting and ancillary workers, are demanding an immediate interim pay increase of £8.30 a week and the promise of another £2 in January to match rises granted to the yard's boilermakers in their annual agreement in June.

They claim that their differentials have been seriously upset by the boilermakers' deal. In some cases the differentials they say, have been widened to £20 a week.

The company's offer of £3.50 a week rise now and another £2 in January, was provisionally accepted by shop stewards while the strikers were on annual holiday two weeks ago. But it was rejected by a mass meeting last week despite union officials' advice that the men should not defy the new pay policy.

Mr. Ken Baker, the union's national officer responsible for the shipbuilding industry, made a special trip to the yard last week to plead with the men to return to work on the basis of the company's offer.

But the GMWU stewards refused to act on their own and this has led to to-morrow's efforts to get joint action by all the unions involved.

● Shop stewards and union officials are to ask 3,000 workers at the state-owned yards of Sunderland Shipbuilders not to take industrial action over a cancelled pay agreement. On Government instructions the company cut back to £6 a 25 per cent. increase negotiated 10 days before the anti-inflation White Paper was published. This would have given them between £10 and £12 extra from August 11.

Jenkins asks firemen to end sanctions

BY OUR LABOUR STAFF

MR. ROY JENKINS, the Home Secretary, yesterday urged a return to normal working in Britain's troubled fire service and expressed concern at the risk to public safety involved in the present dispute.

The situation in London—worst hit by the firemen's industrial action—had improved considerably though, yesterday, after its near-crisis state on Monday.

Sir Arthur Petersen, the Permanent Under Secretary, conveyed the Home Secretary's message to both employers and unions at separate meeting. He also told them the Home Office proposed to set up an internal inquiry into the feasibility of introducing a 40-hour week in the fire service.

The Fire Brigades' Union is demanding that moves towards a 40-hour week should start next year, and it is largely in support of this demand that it has called the current industrial action.

Employers say they cannot commit themselves to introducing the 40-hour week without a thorough appraisal of the effects this will have on costs and manpower needs.

Yesterday, they expresed their willingness to co-operate in the Home Office study. The union made no immediate comment.

The Greater London Council yesterday reported that only 10 to 15 of the capital's 116 fire stations were out of action during the day compared with over 20 on Monday, and that more fire engines were available.

McGahey warns of 'pay policy revolt'

By Chris Baur, Scottish Correspondent

THE SCOTTISH miners' leader, Mr. Michael McGahey, yesterday attacked what he called the "sheer hypocrisy" of the decision by the National Union of Mineworkers national executive to support the Government's anti-inflation policy based on the £6 pay limit.

Delegates of the NUM's Scottish Area voted unanimously in Edinburgh to reject the Government and TUC-backed £6 pay limit and to campaign for a Scottish vote against this policy in the pit-head ballot which will be held on August 21-22.

Writing in the Scottish Miner, the area's official journal, Mr. McGahey, who is the NUM's national vice-president, claims that the union's NEC recommendation was an "attempt to circumvent" the recent decision by the national conference in Scarborough, which supported a £39 rise to £100 a week for face workers, with consequential increases for other underground and surface personnel.

Without even submitting this claim to the National Coal Board, said Mr. McGahey, the executives had set out to "bury the conference decision and commit the miners to a £6 maximum increase." Mr. McGahey, who is a leading Communist, warned that there would be a "grass roots revolt" against the Government's pay policy later this year.

Pilkington rejects union call for plant subsidy

PILKINGTON has turned down a suggestion by the General and Municipal Workers Union that they should jointly apply for the new temporary employment subsidy from the Government to prevent closure of the company's television tube plant at St. Helens.

In a letter to the union, the management pointed out that the Department of Industry had said in July already that Pilkington was not a suitable candidate because its difficulties were of a permanent rather than temporary nature.

Since then, matters had got even worse for the company, the letter said. It also pointed out that the wage bill represented only 36 per cent. of Pilkington's costs and that the £10-a-week employment subsidy—which is payable for six months only—would pay for less than 20 per cent. of that bill.

NGA defers decision on TUC reaffiliation

BY OUR LABOUR REPORTER

A POSSIBLE decision by the National Graphical Association to withdraw its application to rejoin the TUC has been averted by the intervention of two other printing industry unions.

The NGA's national council has agred to defer its final decision on reaffiliation for six weeks to allow the National Union of Journalists and SLADE, the printing process union, to approach the TUC on its behalf.

The current impasse over the NGA's application stems from the TUC's demand for £35,000 affiliation fees to cover the period since the union resigned its affiliation in the autumn of 1972.

The NGA objects to paying the full amount, claiming that consideration of its application has been deliberately delayed since it was lodged in April, 1974.

The TUC gave its final approval only last month after other printing unions dropped their opposition to reaffiliation of the NGA.

BUSMEN STEP UP STRIKE ACTION

More than 1,000 busmen in the West Midlands who walked out for the day yesterday plan an all-out strike from Monday.

The stoppage is a protest at a decision to close two depots. The busmen say the closures will reduce their overtime earnings although no jobs will be lost.

Civil Service Union wants full £6

THE 45,000-STRONG Civil Service Union says it will insist that all its adult full-time members get the full £6-a-week allowed under the Government's pay limit.

"The CSU will do its utmost to ensure that our members are not treated less fairly than others in these difficult days," the union pledges in the latest issue of its journal, The Whip.

Heating-pump factory workers sit in

WORKERS at the Bridgwater, Somerset, factory of Sealed Motor Construction yesterday staged a "sit-in" in support of their demand for talks with the management over the company's future.

The company—one of Britain's largest manufacturers of central heating pumps—was taken over by Adwest a month ago. Since then, 152 of Sealed Motor Construction's 837 employees have been told they are to be made redundant.

Yesterday the building was plastered with posters, pickets were mounted and management staff were refused entry.

A union spokesman demanded a meeting with Adwest management to discuss the situation.

Sealed Motor Construction said yesterday that an increase in demand expected for their circulating pumps had failed to materialise and economies had therefore to be made throughout the company.

They warned that any delay in effecting the economies could jeopardise the 680 jobs remaining.

The management also claimed that the trade unions concerned —the Transport and General Workers and the Amalgamated Union of Engineering Workers—had refused to take part in further talks on the situation.

APPOINTMENTS

Senior executive change at Bass Charrington

Mr. P. J. Cavanna, managing director of Charrington and Co. is to join RAMBUTAN and will be its managing director. Rambutan is part owned by Bass Charrington and with Charrington and Co. is joint owner of Charram. The two companies are primarily concerned with developing and running pubs, hotels, clubs and restaurants in London and provincial cities.

Mr. J. M. Hignett, at present managing director of Hewitt Brothers, will succeed Mr. Cavanna as managing director of Charrington and Co. from September 1.

★

Mr. M. W. Stephenson, technical director of Charter Consolidated, is to move to Lusaka to assume the post of technical director of NCHANGA CONSOLIDATED COPPER MINES. His place in London will be taken by Mr. H. J. Stucke, at present a consulting engineer of Charter. The change will take place in January, 1976. Mr. J. D. Johnson, at present technical director of Nchanga Consolidated Copper Mines in Lusaka, will move to Zaire where he will become managing director of Societe Miniere de Tenke Fungurume, from October 1 this year.

★

Mr. G. H. C. Needler has been appointed to the executive office of chairman of HOVERINGHAM GROUP following the death of Mr. Harold Needler.

★

Mr. G. A. Jory has been appointed a director and chief executive of HOGG ROBINSON (FRANCE) S.A.R.L.

★

Mr. Michael C. Abbott has been appointed to the Board of CHRISTY BROTHERS and has become chairman in place of Mr. Vernon Mills, who retired from that position earlier in the year. Mr. Abbott is a non-executive director of Drake and Cubitt Holdings in addition to a number of other Board posts.

★

Sir John Dunlop has retired from the Board of the SOUTH BRITISH INSURANCE COMPANY and he is to retire from the Boards of subsidiaries of which he is a member, to restrict his activities to fewer directorships.

★

The new deputy director of finance and personnel for London Telecommunications Region is Mr. David Savill, formerly head of POST OFFICE telecommunications headquarters' business planning division. He succeeds Mr. Michael Morris, who now heads the special studies division at PO Telecommunications Headquarters.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

An order for over £1m. worth of British-made sugar centrifuges and ancillary equipment, similar to this British Sugar Corporation plant, is being signed to-day by the Joint Sugar Projects Unit, of Surabaya, Java, Indonesia. The fully automatic centrifuges, designed by Thomas Broadbent and Sons, of Huddersfield, have a basket diameter of 1,220 mm. and a depth of 762 mm. They will produce five to six tons of sugar daily and during the sugar milling season will be in use 24 hours per day. The contract for the provision, erection and commissioning of three high-grade sugar centrifugal stations in Central and Eastern Java includes the supply of support framing, walk-ways, tanks, valves, conveyors and control instrumentation. The whole process recovers, by centrifugal force, the sugar crystal from the boiled mass of sugar juice extracted from the cane. Broadbent saw the possibility of this order in 1973 after receiving the British Overseas Trade Board's Export Intelligence Service card announcing a $50m. International Development Association loan to the Republic of Indonesia's sugar industry. This information costs 5p.

● COMPUTERS

Developing a hybrid machine

WORK ON a graphically patched hybrid computer being undertaken by Mr. Peter Atkinson of the Department of Engineering and Cybernetics at Reading University is to be funded by a £3,600 grant from the Science Research Council.

Digital computers and their applications are well known. The analog computer is used in the solution of certain types of engineering problem and particularly in the simulation and design of control systems of the kind used in the control of large industrial processes such as the rolling of hot steel to produce thin steel strip, or of the kind used in the control system of a *high-speed aircraft such as Concorde*.

Although both digital and analog computers can be used for this work, analog computers possess advantages in speed of operation and, in spite of the ascendency of digital machines, still offer an attractive alternative. The two machines can be combined to offer the advantages of both. The combination is known as the hybrid computer. The simulation runs on the analog computer are then controlled by the digital machine which also logs data. Once a problem has been programmed it can then be left on the hybrid computer *to run itself until the* problem has been solved.

The one remaining difficulty at present is that the analog machine has to be hand-connected (or "patched-up") by lengths of wire (known as "patch cords") before the problem may be run. The patching must be carefully checked for errors and "debugged" by the operators. This is a time-consuming process which requires considerable skill.

Earlier work by the investigator has already shown that digital computers may be automatically programmed to solve simulation problems by literally "drawing up" the block diagram of the system to be simulated on a cathode ray screen.

Object of the present research is to produce a small demonstration system which allows the analog component of a hybrid computer to be similarly automatically patched up by drawing a block diagram on the screen of a cathode ray oscilloscope. The digital computer will be programmed to recognise the system topology which the operator has prescribed and will actuate connections between the *analogous blocks in the analog* machine.

The numerical values of the elements within each block will then be teletyped into the digital computer via a conventional teletypewriter keyboard and the digital computer will set up the component values in the analog computer automatically.

This research is not the first attempt to produce an automatically patched hybrid computer but it possesses some unique features which ease the solution of the problem considerably and also offer a highly ergonomic system of patching which should be attractive to the operator.

● METALWORKING

High-duty carbide inserts

ALTHOUGH THEY are two to three times the price of conventional sintered carbide inserts, cast carbide inserts, which have been developed in the U.S. by Teledyne Firth Sterling, produce such a large increase in tool life and decrease in machine time that the advantages far outweigh the cost, says the maker.

The castable carbide is a substance described as "a substoichiometric monocarbide solid solution, composed of about equimolar amounts of titanium and *tungsten carbide, and a tungsten*-rich metal alloy."

The cast carbide tools are produced by consumable and non-consumable arc melting of prealloyed stock, and spin-casting of the melt into graphite moulds. Because of the complexity and cost of the production equipment (a second line is now on stream in the U.S.) it is unlikely that the inserts will be made in the U.K.

Rough cutting of alloy and stainless steels at high speeds are stated to be the best application for the inserts which, according to the company, exhibit exceptionally high hot hardness and strength — most cutting is carried out dry. Tool life advantage ranges from 3 to 1 to 10 to 1 over the powder metallurgy counterparts in the P10-P30 range.

Most significant improvement over sintered tools is the absence of thermal deformation, extreme resistance to crater wear, and reliable performance under extreme cutting loads, it is claimed. Field trials quoted by the maker, including such operations as machining forged steel rolls, plunge cutting of grooves, and scaling of rotor steel forgings, show performance increases ranging from 30 to 700 per cent., compared with sintered carbide.

One example described refers to an insert 1½ inches square by ⅜ inch thick, negative rake, with potentially eight cutting edges. Used to machine a forged roll, one cutting edge removed 14,500 cubic inches of metal. The chips removed by this edge would amount to 8½ cubic feet, weigh over two tons, and, if continuous, would have been almost 4 miles long. Cut conditions were 0.059 inch feed, 110 sfpm, up to 1½ inch depth of cut, in and out of scale.

Although at room temperature the hardness of cast carbide is lower than conventional carbide tools, hot hardness is markedly improved over cobalt bonded tools.

Typical applications for this material, known as TTC, are forged and cast steel mill rolls, die blocks, marine crankshafts, railway wheels, and similar operations where heavy demands are made on the cutting material. It is not suitable for machining titanium, superalloys (such as Udimet, Hastelloy X, etc.), cast iron, or other materials usually cut by C-2 grade carbide tools.

The inserts, available in this country from Teledyne Firth Sterling *(U.K.), Digbeth House* Chambers, Digbeth, Walsall, WS1 1QU (Walsall 29612), are in ISO sizes ½, 1 and 1¼-inch squares, and ½, ¾ and 1 inch triangular. They are suitable for standard clamp-holders.

Initial reactions from one of the first U.K. users, BSC River Don Works, is enthusiastic, says the company, which is a wholly owned subsidiary of Teledyne Inc., Los Angeles, California.

● AGRICULTURE

Simplified drain trenching

FOR LAND drainage work, Vermeer's model 12 trencher allows plastic or clay drainage tiles to be laid at any time during the season—before planting, during growing or after harvest, says *Metaquip, of Blandford Forum,* Dorset, which supplies the equipment.

Power take off can be used from any two or three bottom plough tractor, and the machine has a positive grade control bar. It can also be used with Vermeer's optional "Transit-Laser" which eliminates the need for grade strings and stakes. The hydraulic boom and depth control crumber ensure that the grade of trench is accurate for all types of tile.

Main advantage of the Vermeer 12 over large models is said to be its ratchet device which regulates speed under all digging conditions and enables the machine to winch itself out of boggy ground.

The trench is dug by alloy steel cutters, available 14 to 18 inches wide, which are bolted to the *durable link-belt digger chain.* A side-delivery conveyor can be *folded for towing or road travel* and is fitted to remove soil from the proximity of the trench, which can be up to six feet deep.

Tile laying is by a device which positions the tile firmly at the bottom of the trench, eliminating unloading, carrying and laying of clay tiles. Plastic drainage pipe is handled by a reel carrier.

Pea pods get gentle squeeze

PLANETARY VINING, introduced on a new pea and bean harvester, replaces the vine beating paddles of conventional machines with five revolving beaters down the drum centre, between which the vines are guided and gently squeezed to release the peas.

The maker says that conventional machines, where the vines are thrown against paddles around a central shaft and the drum wall until they open, have reached a ceiling in harvesting speeds beyond which peas are either over-thrashed or pass through unopened.

With the planetary device there is less damage and wastage, no delays from snagging, and up to 30 per cent. faster harvesting (or operating at traditional speeds, a far better yield per acre), it is claimed.

The new harvester is also fitted with a power meter which when set to the relevant crop and ground conditions continually indicates to the driver whether he is using the viner at its optimum efficiency.

For use on sloping ground, the machine has an automatic self-levelling device with manual over-ride. Large flotation tyres are fitted on the machine's four wheels.

Vines are picked up on a variable-speed 5 ft. wide reel with rubber-mounted tines, and transferred to the feeder through a new half-open double auger that concentrates their flow evenly to the planetary vining drum. The peas pass out of the drum through wire mesh screens —plastic coated to eliminate corrosion.

After three mechanical and two pneumatic cleaning operations, peas are fed to a 1,800 lb. hopper for dump-on-the-go discharge.

Known as the H2, the harvester is made by the FMC Corporation (U.K.), Holt Road, Fakenham, Norfolk (0328 3211).

● EXHIBITIONS

TV news system on display

THE BBC's CEEFAX system will be on view in the Radio Room of the Science Museum from next *Monday*. CEEFAX is the BBC's dial-a-page information service that comes as an "optional extra" with television. At the touch of a button the viewer can switch from the conventional programme to any of a wide range of written pages of news, sport, travel, weather and numerous other subjects.

CEEFAX receivers provide all that a conventional television set does but in addition they have a decoder which picks out coded pulses "hidden" on a few spare lines of the television picture and converts them into the words and figures on the screen.

At present, CEEFAX carries 50 pages of news and information but gradually the service will expand to a 100-page magazine on both BBC-1 and BBC-2. Already many of the pages are self-changing so that every 30 seconds or so new information appears on the screen for a particular page number. The cycle can give up to four "rolls" of the page before it begins again.

Until the receiver industry is able to undertake large-scale production of CEEFAX receivers, and that may not be until 1976, there are few receivers to be seen. The Science Museum is to have one of these on display.

● POLLUTION

Weir tanks to check effluent

READY-MADE, glass-reinforced plastics weir tanks for quick installation with little site work, are now available from Arkon Instruments for use on effluent flow measurement schemes.

Arkon, a Walker Crosweller Group company, has introduced a range of three tanks catering for flow rates up to 10,000 gallons per hour. The tanks are free-standing and ready drilled to take the standard V-notch plate and measurement dip-tube.

Practically no site preparation is necessary so that a completely "packaged" flow measurement installation can be completed quickly.

The tanks can be supplied with or without an outlet compartment according to whether the tank is to discharge directly into a drain or through secondary pipework. The three sizes cover flow rates from 200 to 10,000 gph (0.5 to 10 litres/sec.) and range in price from £120 to £300 depending on size and specification.

The maker is at Whaddon Works, Cromwell Road, Cheltenham, Glos., GL52 5EP (0242 27953).

● HANDLING

Compacts into a carton

WITH THE W1 waste compactor Columbus Dixon enter the waste compaction industry. It is designed for use in factories, offices, hotels, schools, hospitals, and all types of public buildings faced with mounting disposal problems.

The compactor is a white cabinet, 90 inches high x 38½ inches wide x 25 inches deep, which can be installed at the end of a corridor or in the corner of a factory.

To operate, a wax-treated carton is first placed in the bottom section of the cabinet. This receives the waste-paper *and rubbish—including cans and* bottles—which are front-loaded into the machine by means of a chute-door.

At the push of a button, the waste is hydraulically compressed within the box in seconds, reducing it to a fraction of its original volume. When the box is full, it is removed via the main door of the machine, sealed and stored ready for disposal.

The compactor also provides for the baling of compressed rubbish if this is preferred to box disposal.

Columbus Dixon is at Lancelot Road, Wembley. (01-902 6001.)

● SAFETY

Checks for metal before sealing bags

THURNE Engineering Company of St. Faiths Industrial Estate, Norwich, has linked with Rank Pullin Controls to produce a fully automated in-line unit incorporating adhesive tape bag sealer and a metal detection unit.

The bag sealer can work at speeds of up to 70 bags per minute and is able to handle a wide variety of bag sizes. The seal is re-usable and can be colour coded for identification. It can also be printed with pricing or date information, prior to sealing or at sealing stage.

As the closure is non-metallic, the wrapped and sealed goods can be directly processed by the Microsearch metal detector which has a *fully automatic rejection* system. The detector has a search aperture of 5 in. or 7 in. high and its three separately adjustable channels enable it to be used over a wide range of products.

It is equipped with an automatic self-checking device covering both the electronic unit and the operation of the rejection mechanism.

● COMPONENTS

Multi-bore hose eases assembly

MULTI-BORE hose assemblies are used for the hydraulic control of machinery where it is necessary to have the controls at some distance from the actual machine. Previously problems *of time lapse in long range* remote control assemblies have caused some inconvenience and only a small number of controls could be operated from one unit.

With the new Hi-Flex multi-bore hose assemblies, the connecting block has been reduced in bulk and the sophisticated coupling can handle up to ten different operations. With increased fluid pressure the time lapse element has been reduced.

The assembly contains a number of internal high pressure hoses—up to 20— protected by an outer sheath. The pressure lines are constructed from thermoplastic. They have an internal diameter of 3/32nd inch and are capable of working at pressures of up to 3000 psi.

They are connected to the main hydraulic circuit by a single coupling, in a similar way to an electrical harness coupling, *to save time during installation* and to facilitate easy fitting in confined spaces. The assemblies provide additional flexibility by enabling the main hydraulic components to be sited conveniently at any point on the machine.

Details from Hi-Flex International, P.O. Box 2, Salisbury, Wiltshire (0722 6231).

● LIGHTING

Industrial lamps

JOHN DAVIES and Son (Derby) a member of the Doulton Engineering Group, has introduced a range of industrial torches which have been designed to take a range of attachments.

One of the torches has been designed for use where explosive or flammable atmospheres are encountered, while another has been made to meet the severe usage required by the military forces, the police and civil authorities.

To give additional flexibility in the use of the torch, two accessories are available: a breast light with a 90 degree angle lens, for use where light is required in restricted spaces, or for buttoning to the tunic to allow free use of the hands, and a signalling cone in either red or green.

Also available are hand lamps with or without morse flash facility and a signalling lamp with high intensity red, green or clear beam. A tripod can be supplied if required ideal for use as a traffic control in emergency situations.

The company's address is P.O. Box 38, Alfreton Road, Derby, DE2 4AB (0332 41671).

● PROCESSING

Cutting the cost of water

THE COOLING Water Association is to publish its first "Guide to Mechanical Draught Evaporative Cooling Towers" in September. It covers selection, siting, operation and maintenance of all sizes and types of mechanical draught evaporative cooling towers and follows extensive research and study by a working party set up by the Association.

The project was undertaken following increasing awareness that cooling towers can save in the region of 90 per cent. of cooling water currently wasted by some sections of industry. It is claimed in many situations that cooling towers can recover capital costs within one to three years by reducing mains water consumption.

Copies are available from the Secretariat, Cooling Water Association, 74 Queensway, London W2 3RW, price £9.00 for members, and £11.50 for non-members.

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The Executive's World

EDITED BY JAMES ENSOR

Art Garcia interviews the boss of an American gaming company in Reno, Nevada with designs on

Australians who'll bet on anything

Baccarat in Vegas: but will it work in Sydney?

ALTHOUGH AUSTRALIA now does not have casino-type gaming, it is regarded as a fairly sure bet here it soon will. Hedging that bet, Harrah's Inc., the only pure gaming company listed on the New York Stock Exchange, earlier this year incorporated an Australian company in New South Wales to position itself for a quick move when and if casino gambling there is authorised. Joint ventures are being discussed by Harrah's officials who have been jet-hopping to Australia to meet with established companies in that country's hotel, tourist and travel industry.

Regarded by at least one Wall Street analyst as "the premier company" in Nevada's gaming industry, Harrah's confines its operations to two major gaming complexes in the northern part of the State, at Reno "biggest little city in the world," and Lake Tahoe, the scenic resort which nestles against California's eastern border. The company has no casinos in Las Vegas and doesn't want any, so if it's ignoring southern Nevada, why is it looking across the Pacific all the way to Australia? Mr. Lloyd Dyer, 47-year-old recently elected president of Harrah's, during an interview at his Reno headquarters office shared some of the reasoning and updated the company's plans for Australia.

"The thing that is attractive about it is the possibility of legalising casino gaming in New South Wales, where the big city is Sydney, with close to three million people," explained Mr. Dyer. "If they legalise gaming there, if we are permitted to have an operation there, if the taxes are right and if the location is right—there are a lot of ifs—it could be a bonanza. There's no doubt about it," he enthused. "It would be like having a casino in the middle of San Francisco."

Like to play

Australians, he noted, are highly recreation and sport minded. "And very gaming oriented," Mr. Dyer quickly added. "Much more than probably any place in the world. They have more holidays, and they just like to play. They like to drink. They'll bet on anything," he offered as personal impressions based on several trips to Australia and meetings with prospective business partners there.

"There are 1,500 sports and veterans clubs in New South Wales, with two million members," he went on. "They bet on sports every day and play 45,000 slot machines—that's 10,000 more machines than Nevada has. The gambling gross from slot machines is more than $400m. a year in New South Wales." Not lost on Mr. Dyer either is the relatively high level of disposable income among Australians. "I can't tell you what the figures are but they spend a hell of a lot of money on recreation. The weather's also nice down there. Even their winters are soft," he said.

Harrah's has its eyes on Sydney and New South Wales "because it's the only place politically where there's a possibility for gaming at this time," said the Harrah's president. "They have illegal casinos in Australia that have to be an embarrassment to the government, which closes them once in a while then lets them open again. But the thing that's pathetic is there isn't an illegal casino in the world that isn't a 'flat store,' one that has honest gaming," Mr. Dyer continued. "There's no way because they don't know whether they are going to be open tomorrow or not, so what incentive do they have to use the right cards and dice? They have none. They don't pay taxes and that's another reason why the government is probably going to have to take a look at it."

He tags New South Wales as "probably the swingingest state there, and Sydney's the swingingest city." All of the many attractions as a hot gaming prospect have not been lost on others. "There are hotel interests in Australia that are looking at the gaming possibilities there and there probably are interests out of London looking at them, too. I think there are a lot more people looking than we even know, although we haven't met any of them," he said. Anything Harrah's does in Australia will have to be a joint venture with an Australian firm, Mr. Dyer emphasised. Although that's not necessarily the only way the government would allow a foreign company to enter, "the government would be more receptive politically to a foreign company if it were that way," he said.

Approval

Thus far, Harrah's hasn't worked out a plan of entry, undecided even if it will seek an arrangement by which Australian interests would build a casino and Harrah's operate it. There are other regulatory considerations close to home too. Harrah's first of all must win approval from the Nevada Gaming Commission for any plans to engage in gaming outside the state. The agency isn't likely to permit any Nevada operator to participate in gaming anywhere else in the continental United States for fear of competition, or as Mr. Dyer put it, "stealing Nevada's customers." The commission, he said, "probably would okay gaming involvement in the Caribbean, Mexico and possibly Hawaii and Australia is too remote for it to be concerned about competition there."

Legalised gaming in New South Wales has the added appeal of being a lure for tourism, which Mr. Dyer found comparatively not high there. "To-day it's something like 700,000 a year. It's nothing. Nevada draws close to 30m. visitors a year," he said. His travels throughout Europe and Asia have turned up more European-style gaming than the showier, more relaxed but still plush Nevada version, but he believes the Nevada formula would be a hit in an area such as Sydney. "They're starving for entertainment there because it's so far from everything and it costs so much for an entertainer to go down there. But they really pack the houses, whether it's Sinatra or whomever," commented Mr. Dyer.

High-rollers

Harrah's charters a regular flow of buses that herd in small-time gamblers from California's populous northern cities to the company's casinos at Lake Tahoe and Reno. Cost of the bus ticket is refunded, plus a few bonus chips and a ticket for a free drink are given the hopeful gamblers upon arrival. Similarly, but on a bigger scale, Harrah's flies in "high-rollers" (those with $5,000 or more credit) in the company's two jets from various points in the U.S. and Southern California, putting them up as guests at the hotels. Mr. Dyer, however, doesn't see an extension of these efforts in the form of junkets to deliver customers to Australia.

"We wouldn't be looking at the American market at all. We'd be probably looking at the European and Asian market, as far as tourism goes," he said. "We'd also be looking to the local residents in Australia. There're damn few Americans over there." The time-table for a move into New South Wales is indefinite because of the many "ifs" that still cloud the legalising of casinos there, but he said such action, if it happens, could come "within the next year."

What kind of operation could Australians expect if Harrah's does indeed open casinos in New South Wales? The company's emphasis in Nevada is on first-class service and food that ranks with the finest among the state's casino-hotels, cuisine that generally is excellent. "Entertainment is top-flight and employees are friendly and courteous, a quite striking difference between Harrah's casinos and the major Las Vegas casinos," says Arthur Rockwell, entertainment industry analyst with Sutro and Co. in San Franciso. He believes the odds are strong that Harrah's would be a success in Australia, given the opportunity to offer its "expertise and skills and have them capitalised by a major hotel or motel chain." Consideration of Harrah's casinos in Australia, he suggests, is "almost analogous to the amusement park Walt Disney Productions is talking about in Japan."

Winner

The stakes in their respective first foreign ventures would be high for both entertainment corporations but so too, most likely, would the takes, for Harrah's, as Disney, is a roaring success in its well defined specialty business. Since incorporating 23 years ago, its compound growth in earnings has been 20 per cent. per year. The company was a winner again in the fiscal year ended June 30, with record earnings of $10.6m. on all-time high revenues of $127.8m., despite such forces discouraging to tourism as economic recession, higher gasoline prices and an unusual series of fourth quarter spring storms that cut into revenues.

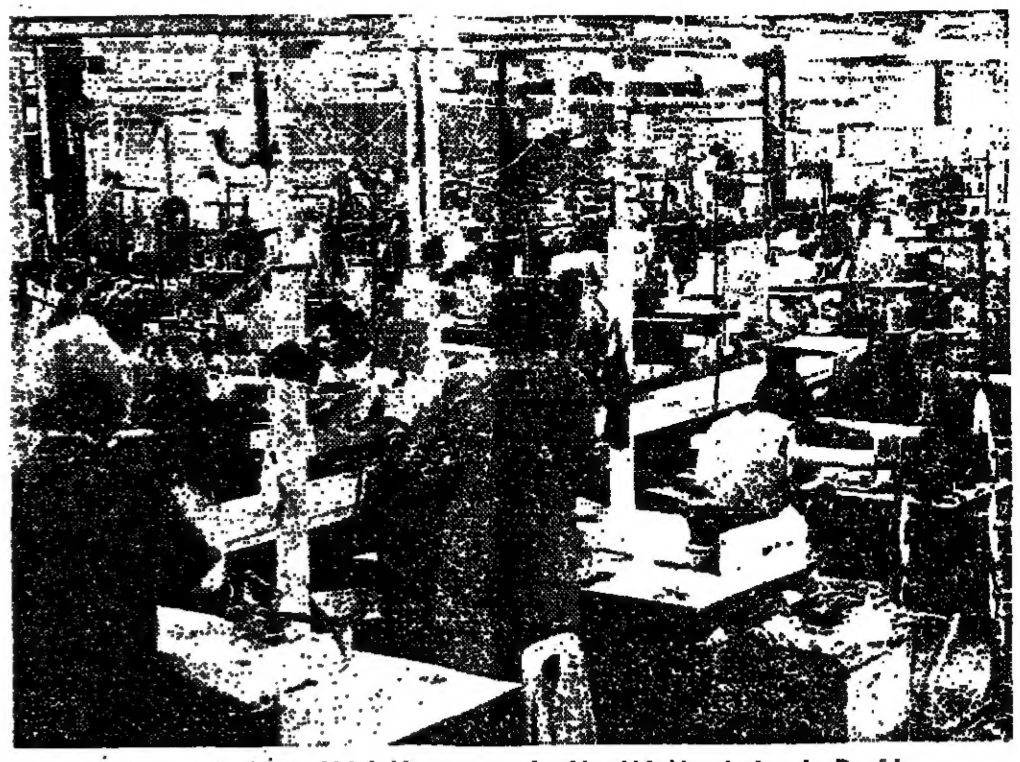
De rigueur trousers from Limehouse

BY RHYS DAVID

FROM THE DEPTHS of East London in Limehouse, the rather humbly-named Cleancut Clothiers, has found itself for much of the past year working hard to keep up with demand for what is proving to be the latest in men's trousers—at at least in certain parts of the market.

The trousers, the big sellers in trendy young men's boutiques in High Streets up and down the country, are the 32 in. wide variety in colours ranging from cream to mauve, and apparently de rigueur for wear with the platform shoes also popular with teenagers.

Cleancut is of course only one of a number of clothing concerns in East London—a traditional centre of the making-up trade in Britain—but one which at a time of near universal difficulty in textiles is having notable success in a market—reasonably priced young menswear—and with a product—trousers—where substantial import penetration has taken place.



Armatex makes those high-fashion trousers in this old-fashioned plant in Dumfries

The company, still a private concern, had a turnover for the year to June of around £6m., which makes it fairly small when set against the giants of the U.K. textile industry, but it is currently managing to produce in its plants in London, Scotland and the North some 18,000 pairs of fashion and conventionally styled trousers every week. Furthermore the company, part of the Armatex group, was near the top of the list for profitability in men's outerwear in the last NEDO clothing industry financial tables. Turnover has grown from only £250,000 in 1966 to the present £6m. with profits climbing from £15,000 to £500,000 over the same period.

Much of this growth has been due to the early realisation that considerable scope has always existed in clothing for much more efficient production—a realisation which the Government is now itself hoping to awaken in other clothing companies with the aid of various incentives. A series of measures aimed at helping the textile industry—including a £20m. scheme to help the clothing industry implement productivity proposals put forward by the clothing NEDO—was announced in the Commons last month by Mr. Eric Varley, the Industry Secretary.

"We saw several years ago that by raising productivity we would be able to offer much higher wages, making it possible to retain and attract high-quality staff. In addition it would also enable us to make a much higher return on our assets to the benefit of the business as a whole," Mr. Ota Newman, the Czech chairman of Cleancut explains.

Mr. Newman came to Cleancut via Viyella—a training ground for a number of textile executives now prominent in other companies—and after a career which included two escapes from Czechoslovakia, once from the Nazis and once from the Communists. In between these two escapes he spent a period in the French Foreign Legion and served with free Czech forces during the war. He emerged as a director of Viyella after another company he had been with was taken over, but left what was then Mr. Jo Hyman's empire in 1966 for Cleancut.

In clothing, Mr. Newman explains increased productivity is not as in many other industries simply a question of introducing more machinery. As long as people want clothes fitted to the wide variety of human shapes in a wide range of styles and designs, and attractively finished with stitching and trimmings, there will always be a need for clothes to spend much of their time in manufacture being passed through human hands.

Nevertheless comparative studies do exist which show that where the nature of clothing manufacture has been looked at scientifically the amount of non-productive time the operative spends, picking up the garment, aligning it and despatching it—jobs which can take as much as 80 per cent. of the making-up time—can be reduced. And a reduction will of course result in higher output per employee and more finished garments.

Cleancut decided to go for increased productivity at a trouser factory in Dumfries, which had opened in 1968 in an area where there was no tradition of clothing manufacturing and which after several years was still behind London productivity levels. After examining the problem themselves Cleancut brought in Kurt Salmon Associates, an international firm of textile and clothing consultants, and they were able to produce figures showing that on the best international standards about 28 minutes was an acceptable time for making a pair of trousers. At Cleancut it was taking more than an hour, giving a theoretical efficiency rate of only 46 per cent. The improvements needed to raise this figure were then analysed.

In fact as KSA point out it is very often a question of simple attachments to machines, improved methods of receiving materials, of building disposal chutes or machine guides, or of changing internal factory lay-out—ideas which sound simple enough but which often have to be preceded by hours of study and thousands of calculations. Even more importantly they also have to be followed by training of operatives so that they will have sufficient confidence and even stamina to undertake what may seem like a big increase in output.

KSA's work with Cleancut cost the company £18,000 for an eight month assignment spread over two years but as a result of their work production has built up steadily to a 98 per cent. efficiency rate—in other words very close to the target 28 minutes for a pair of trousers.

Furthermore, whereas in 1973 the company was paying its women workers (including trainees) an average of £17 per week, this has now risen to an average £33 per week. The labour force has dropped marginally from 190 to 172 over the same period but the number of garments being made is 60 per cent. up, with Dumfries now responsible for roughly half the group's total trouser output. Customers include on the retail side Just Pants, the successor to Hope Bros. and in mail order big names like Littlewoods, Empire, and Grattan.

With trouser-making, the company's main activity, now organised on profitable lines other parts of the business are being strengthened. Executives from Dumfries are putting the lessons they have learnt into practice at another trouser factory in Liverpool. The company also produces other clothing items including about 2,600 men's jackets a week in factories in Liverpool and Castleford which were acquired from Lewis's, the department store group and part of Sears Holdings. According to Mr. Newman they are not very proud of the productivity at these factories which before they were acquired were making a long list of short production run items ranging from dinner jackets to dressing gowns (and the bespoke uniform for a famous clown). This is an area the company will also be looking at, however.

In London the company has the advantage of being able to draw on a pool (albeit rather small) of skilled labour in which clothing manufacturing skills have been passed from mother to daughter. As a result, with Dumfries now producing half the company's trousers, London is being used more for specialist lines.

The company has also recently acquired capacity to spin some of the polyester-viscose yarn used in its trousers and other garments. Fabric weaving is done to Cleancut's own designs and specifications by commission weavers in Yorkshire.

As for the next stage in development this is likely to be dependent very much on the state of the economy and of the stock market in particular. Cleancut came very close just before the start of the share slide last year to going public but withdrew just in time. According to Mr. Newman, however, a share quote is likely eventually as a means of funding further growth. The company is hoping it can bring at least some of the precision it has shown in clothing manufacture to the timing of that decision as well.

BUSINESS PROBLEMS

BY OUR LEGAL STAFF

Roll-over of capital gains

Until October, 1973, I was fully engaged as an equal partner in a family farming partnership. At this time I started a small building company by way of diversification and continued with both businesses until April, 1975, when the farming partnership ceased to trade on the sale of the farm. Since April, 1975, my sole business interest has been that of the building company, but it has always been by intention to get back into farming again as soon as possible on my own account.

With this in mind I have now found an ideal smallholding of farmhouse and seven acres with the imminent possibility of renting additional land in order to build up a viable unit.

Bearing in mind that I intend to continue running the building company in addition to farming, would I be able to "roll over" my share of the farming partnership's capital gains tax liability on the sale of the partnership farm into the purchase of the proposed new farming unit?

The existence of the building company probably has no effect on the question of roll-over relief on the partnership farm capital gain.

Section 33 of the Finance Act, 1965 (as amended), only requires that your share of the proceeds of the partnership farm be applied in the acquisition of land and buildings for a similar farming business within three years, so you should have no problem in principle.

We take it that the sale of the partnership farm did not give rise to a development gain.

Disposal of land

I own through a company a small caravan site and transport café and I have been applying for planning permission to build a motel at the site for over five years. The plan was refused on the grounds that a new road was going to be built alongside and until the line of the road was established the plan could not be approved in case the position of the motel had to be changed. Now the line of the road has been established and outline planning permission will be granted shortly. If I sell it before the date of the Royal Ascent to the legislation introducing the land development tax what rate of tax is likely to apply to any gains?

Broadly speaking, the difference in the value of the land with permission for the building of a motel and its value as a caravan site and transport café will be a development gain and the balance of your gain will be a capital gain.

The amount of the development gain will be subject to corporation tax at either the small companies rate or the normal rate, depending on the extent of the company's profits and the capital gain will bear corporation tax at, effectively 30 per cent.

The development gain will, however, constitute income for shortfall purposes and if, as seems likely, the business ceases on the sale it might be necessary to pay a 100 per cent. dividend. This could produce an effective tax rate in excess of the 80 per cent. that will apply when development land tax is produced.

You should consult your accountant.

Latter day Baker St.

I wish to advertise for members to form a club to study the life and writings of a recently deceased world-famous author, similar to Sherlock Holmes' Baker Street Irregulars. Would it be necessary to seek any permission from the late author's executors or publishers?

You do not need to seek permission to form your club or society, but you would need to do so if your activities were to involve anything that would otherwise be an infringement of copyright. Thus if you were to hold a meeting at which readings from your author were given and an admission fee charged you would need to seek a licence from the owners of the copyright.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

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Head Office Editorial & Advertisement Offices:
BRACKEN HOUSE, CANNON STREET, LONDON, EC4P 4BY.
Telephone Day & Night: 01-248 8000. Telegrams: Finantimo, London
Telex: 886341/2, 883897
FOR SHARE INDEX AND BUSINESS NEWS SUMMARY RING: 01-246 8026

Birmingham: George House, George Road 021-454 0922
Dublin: 8 Fitzwilliam Sq. 785321
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Bonn: Pressehaus 11/104 Heussallee 2-10 222596
Frankfurt: Frankfurt am Main, Im Sachsenlager 13 555730 (editorial), 554667 (business)
Brussels: 39 Rue Ducale 129037
Rome: Via della Mercede 55 678 3314
New York: 75 Rockefeller Plaza, NY 10019 Editorial—212 541 4625 Business—212 489 8300
Washington: Second Floor, 1325 E. Street, N.W., Washington D.C. 202 347 8676
Toronto: 285 Ont., 6 Charles St. E. 416 921 5575
Jo'burg: 411 Sanlam Building, Commissioner Street P.O. Box 2128 838-7089
Sydney: 364 Sussex Street (Cnr. Liverpool Street), Box 3080 GPO 2001 Tel: 619 817, 618 773
Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Tel: 241 2920

WEDNESDAY, AUGUST 13, 1975

An anti-Ryder report

THE FIRST *reaction of many* observers—ourselves included—to the proposals contained in the Ryder Report about British Leyland was that they were basically controversial, in the form of organisation (and therefore the staff changes) which they recommended; immensely sweeping and optimistic in their estimates of the capital that the state would have to invest in BLMC and the return that could be expected on that investment in the early 1980s; and unrealistic, in the relatively small amount of attention paid to levels of manning and to the means open to the Government for ensuring that it was able to modify the Ryder plan if, after several years, it found that it was doing no more than throw good money after bad.

The Select Committee, after interrogating most of those concerned in the operation, has now put forward much the same criticisms in more detail and with greater force. The level of manning, for example, is an issue on which it touches several times and which is closely tied up with the Ryder Committee's estimates of the company's future sales potential. These it regards as unduly optimistic, remarking "that an apparent eagerness to adopt highly convenient assumptions has robbed the report of a degree of objectivity."

Profit estimates

On the basic question of organisation, the Committee disagrees with the Ryder findings, believes that the report put overdue emphasis on personalities rather than proper structure. More importantly, it regrets that the arguments for and against different methods of dealing with the BLMC problem were not put to Parliament, and finds no evidence that the alternatives "have been seriously examined at all." The detailed forecasts about the future made in the Ryder report are dismissed with the comment that "it is unfortunate that it has proved necessary to base such detailed figures on assumptions which must inevitably be subject to huge margins of error." Remarking that such forecasts can be falsified by quite small changes in the assumptions on which they rest, *it points out that the profit per* vehicle suggested in the Ryder report is at least three times the 1974 figure and would make BLMC more profitable than any other European motor manufacturer has ever been.

Nor is it at all happy with its chief object of concern, the monitoring of the use to which the huge sums of public money involved are put. It argues that the Ryder Report is largely derived from a BLMC project based on a "fairly free availability of cash," which is unlikely to have economy as its main theme. It finds the distribution of responsibility for monitoring progress between the Department of Industry and the National Enterprise Board too imprecise to be satisfactory.

Prior decision

Above all, however, it emphasises the point that the sanction proposed in the Ryder Report and accepted by the Government—withholding the next tranche of State support if progress does not take place as expected—is not a genuine one, not merely because the factors which have provoked state intervention would still be operating but because such a step would probably mean writing off much of the public money already invested in the venture.

Perhaps the Committee's main criticism, however, is of the Government—not merely because of the haste with which it accepted these far-reaching proposals but because the basic decision to maintain BLMC in existence in something like its old form had already been taken. "If, as we believe, the Government's initial Ministerial stance conditioned the findings of the Ryder report, and the Department, having examined the report, gave further advice to Ministers, this is a process of decision which has been accelerating through all its stages. Dissent from the original view became steadily more difficult and, in the end, impossible." It is a pity that the Secretary of State responsible, Mr. Wedgwood Benn, was no longer available for questioning by the time this conclusion was reached. His successor will now have to pick up the pieces as best he can.

Talking over the Zambesi

MR. VORSTER, the South African Prime Minister, has obviously succeeded in putting a great deal of pressure on his Rhodesian counterpart, Mr. Smith. There is no reason to suppose that Mr. Smith is going voluntarily to the constitutional talks with the African National Council (ANC) which are to take place at the Victoria Falls within the next fortnight. The evidence indeed suggests that he was *practically* dragooned into it when he saw Mr. Vorster in Pretoria at the weekend.

Timetable

Mr. Vorster's persuasiveness has a parallel, however, in the pressure which has been exerted on the ANC by such black African leaders as President Kaunda of Zambia and President Nyerre of Tanzania. There is no reason to believe that the ANC is more optimistic about the chances of reaching an acceptable constitutional settlement in talks with Mr. Smith than is Mr. Smith himself. The two sides distrust each other. They want different things and they are years apart on the timetable for African majority rule.

Yet, for the moment, the important thing is that the conference has been called. Mr. Vorster and the black African leaders outside Rhodesia have seen to that. It could even take place without undue complications. The brief, after all, is relatively simple. It is to appoint joint committees which will get down to the constitutional details and report back to a full conference at a later stage. The *difficulties will come in the* committees, for there has been very little preparation for a possible settlement by either side. The large part of the talks about talks which have been conducted over the past nine months or so has been concerned simply with the question of where the conference should be held. Now, quite suddenly, the two sides will have to get down to matters of substance.

It is here that external influences will again be crucial. Mr Smith and the ANC are no going to agree on their own. Both of them indeed may have their own reasons for wanting the talks to break down — Mr. Smith to show that a settlement is impossible because the Africans make excessive demands, and some of the Africans, at least, want to get back to the guerilla struggle. Mr. Smith clearly has problems with his white electurate and it is true he is being asked to surrender, in a relatively short period of time, the white supremacy which he and his supporters have always stood for. Equally, the ANC is divided between those who are prepared *to talk and those who would* prefer to fight.

The only forces which can produce a settlement are those which brought about the calling of the conference—Mr. Vorster and the African Presidents. They have become the managers and Mr. Smith and the ANC *their* respective clients. It appears that they have established a certain mutual trust in each other's motives. But having brought their clients to water, they have still to make them drink. Mr. Vorster has a great deal of power over Rhodesia. He will have to be prepared to use it *to the full and that means* the threat of economic sanctions and the continued withholding of military aid. But equally he is entitled to demand that the African Presidents deliver their part of the bargain. That means no aid to Rhodesian guerillas and no sanctuaries so long as there is a chance of the talks succeeding. The chance may not be high, but a year ago there seemed no chance at all of South Africa and its black neighbours working together. The alternative, as Mr. Vorster said in a famous remark, is too terrible to contemplate. It is a question of persuading the Rhodesians of that simple truth.

The U.S. Government has called for a halt, perhaps temporary, to grain sales to the Soviet Union

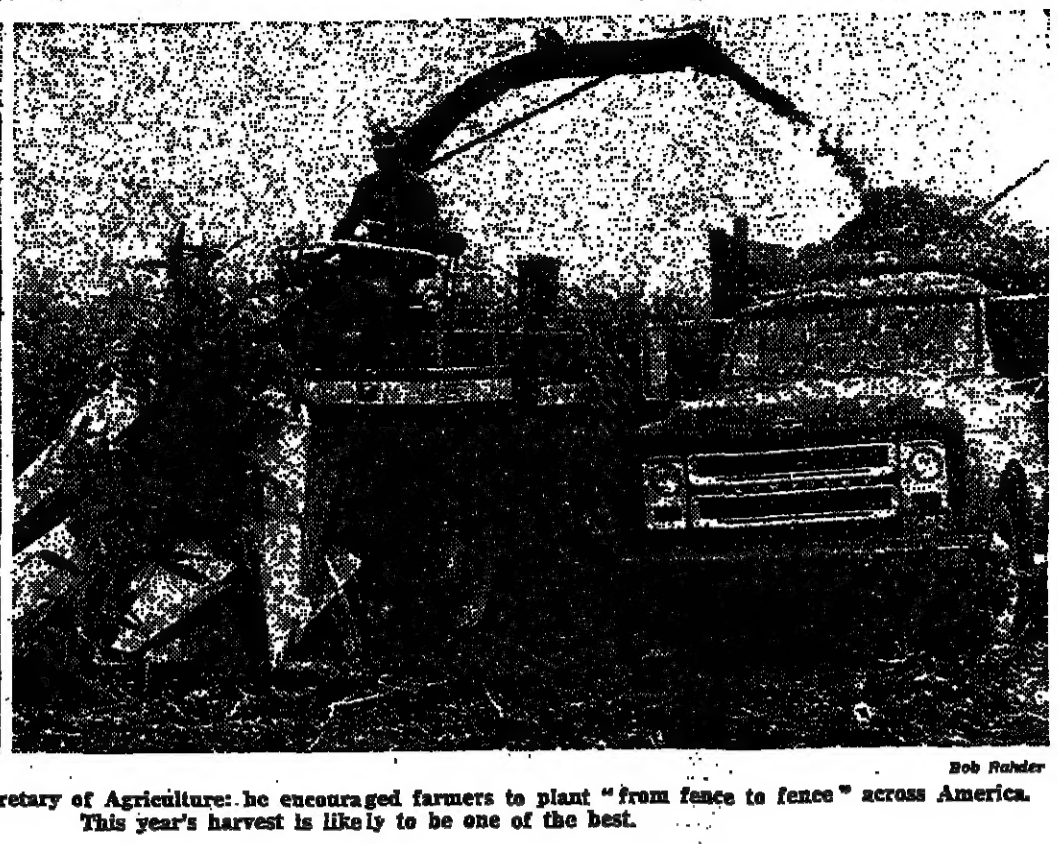
Setting the signals to avoid another Great Grain Robbery

From ADRIAN DICKS, in Washington

FOR THE fourth year in succession, the farm policies of the U.S. Republican Administration have landed it in deep political trouble. Farmers, encouraged by the Secretary of Agriculture, Mr. Earl Butz, to plant "from fence to fence" across America, are likely to produce record crops of several key commodities and healthy surpluses of the remainder—only to find the Government seriously disturbed at the possibility that large sales to the Soviet Union might drive prices too high.

Consumers, still mindful of the steep rise in many retail food prices that followed the 1972 Russian purchases, have found any number of champions in the Democratic-controlled Congress to call for price freezes, export controls and an overhaul of the private grain trade.

Should President Ford, his 1976 election campaign now beginning to get under way, appear to lean too far one way or the other, he could suffer severe damage. He cannot afford not to carry the agricultural, strongly-Republican mid-Western States. At the same time, he dare not lay himself open to the charge of carrying already suspect concern for detente with Moscow to the point of raising food prices at a moment when well over 8 per cent. of the population are still unemployed.



Bob Rohder

Mr. Earl Butz, the U.S. Secretary of Agriculture: he encouraged farmers to plant "from fence to fence" across America. This year's harvest is likely to be one of the best.

Extending the ban

Publication of the Department of Agriculture's August crop forecasts this week has given the Administration the pretext it needed to stall for time, in the hope that tempers can cool all round. While insisting that the U.S. will have plenty of corn (maize), wheat and soya beans to sell to the Russians and to other overseas customers without more than a "negligible" impact on domestic food prices. Mr. Butz announced an indefinite extension of the "voluntary" ban on further export sales to the Soviet Union that has been in force since contracts for a total of 9.8m. tonnes of wheat and corn were made public last month.

If the forecasters are right (and their record over the past few years has been surprisingly good), it may be no later than *the next USDA crop forecast in* a month's time before Mr. Butz can give the green light again for further sales to "our largest and extremely valuable customer," as he described the Soviet Union on Monday. The August corn crop estimate, at 5.85bn. bushels, was admittedly some 3 per cent. less than the more tentative July estimate of 6.05bn. bushels, and there is always the possibility that dry weather in Iowa, Nebraska and the Western corn belt states since the field survey was taken could reduce the the final harvest further. Nonetheless, this year's harvest still looks like being substantially bigger than the standing record of 5.647bn. bushels of 1973. Official economists believe the U.S. should have no difficulty in exporting 1.3-1.5bn. bushels, while having *enough left to carry over* between 620 and 720m. bushels to the 1976 crop year.

Such a performance would be made easier if the soya bean harvest, too, turns out to be as big as the USDA's estimate of 1.456bn. bushels—a figure that would fall short of an absolute record but would still be well up on last year's 1.233bn. bushels. For the wheat harvest, much of it already in, the forecasters now expect a total of 2.141bn. bushels, a record level that, according to the USDA's present calculations, would allow exports of up to 1.35bn. bushels and a carryover of 425-575bn. bushels.

Such is the scenario that Mr. Butz and his economists, firmly committed to the free play of market forces, hope to see unfold. The beneficiaries would be the U.S. balance of payments and, hence, the U.S. consumer, as well as the farmer, *for whom export sales offer the* only prospect of recouping outlays on planting extra acreage and sharply increased production costs.

The events of the past three years have shown that there is much that could still interfere with this tidily advantageous scheme of things. The greatest unknown, as any experienced observer of the grain market will agree, is the weather. This year's crops got off to a much better start than those of 1974, when spring rains delayed planting. *But they have already* suffered in lesser degree from very high temperatures and inadequate rainfall.

A second major question mark hangs over the Soviet crop. The USDA has had the chance to send its own crop forecasting experts to Russia—*thus admitting tacitly Moscow's* failure to live up to its promise to provide more accurate and timely data of its own. They have returned to offer a new total Soviet harvest forecast of only 180m. tons—5m. tons below the USDA's own estimate three weeks ago and 35m. tons below the Russians' reputed target. The Central Intelligence Agency has recently completed an even more pessimistic assessment of the Soviet harvest at only 165m. tons, based on separate sources.

While there is room for debate on how much margin the Russians have left between their target and their real needs, or on how they intend to divide the shortfall between human and animal consumption, it seems certain that their total import needs will be close to the 30m. tons they bought in 1972, some two-thirds of which came from the U.S. It seems no less clear that if they wish to make up the total during the current season—that is before the southern hemisphere's next harvests can be assessed—much more than the extra 4-5m. tons the Administration has publicly said could be spared will have to be purchased in the U.S.

It is at this point that the equation becomes extraordinarily delicate for President Ford. Already there are signs that he may be losing the initiative. The International Longshoremen's Association, *representing dockers at the East* and Gulf Coast grain ports, has threatened to black grain shipments to the Soviet Union unless its President, Mr. Thomas Gleason, feels satisfied that there will be no ill-effects on food prices.

In Congress, Senator Henry *Jackson, a leading contender for* the 1976 Democratic nomination, has called for an "immediate reassessment" of export policy. Senator Gary Hart has demanded strict monitoring of sales to Moscow, while even the conservative chairman of the Senate Agriculture Committee, Mr. Herman Talmadge, has promised hearings next month.

Alarming effect

More embarrassing to the Administration, Dr. Arthur Burns, chairman of the Federal Reserve Board, has thrown his prestige down on the side of those who feel that food prices are bound to rise as a result of Russian buying. Futures contracts for corn and wheat, which closed yesterday around \$3.12 and \$4.10 respectively may still be lower than a year ago, yet their steep rise in recent weeks has already had an alarming effect on wholesale prices. Nonetheless, professional traders seem for the most part more impressed by the sheer size of this year's crop forecasts than by the current political fuss, and have been steadily inclining towards a more bearish longer term view of prices than some recent futures market sessions might suggest.

In the frightened state of *American public opinion, still* unconvinced that the recession is beginning to lift, it needs little to recall the consequences of the 1972 "Great Grain Robbery." At that time, Mr. Butz and his Department could be justly reproached for naivety in allowing the Russians to corner the market at the bargain price of \$1.62 a bushel for wheat, letting the grain exporters collect a fat export subsidy, and gravely underestimating the inflationary pressures which the whole transaction stoked up in the U.S. domestic economy.

Yet there are many respects, in addition to the bullish crop forecasts, in which the 1975 situation differs strongly from that three years ago. This year farmers have withheld more of their production, hedging against a falling market and making sure they do not repeat their 1972 mistake of selling too early to middlemen.

Prices, partly because of the 1972 purchases, have remained at relatively high levels, so that there seems no chance that the Soviet purchasers, more closely scrutinised by the Agriculture Department, will "steal" the crop this year by keeping the export companies unaware of one another's discussions. Although no details of prices have been officially released, they are expected to have to pay around \$3.20 a bushel for corn and \$4 a bushel for wheat, if not more. This time, as in 1974, they will have to pay cash.

Finally, there seems relatively little danger this year of the generalised shortages of some farm products that led the U.S. reluctantly to impose limitations on exports in 1973 and 1974, although the recent surge in futures prices has led many analysts to reconsider the argument that a new commodity price boom could not coincide with a period of such low world economic activity.

What is not yet clear is whether President Ford and his advisers are willing to draw the obvious conclusion from this year's bruising political battle. Dr. Henry Kissinger's well-publicised foray into world food diplomacy at Rome last autumn has produced no discernible results in policy terms, and Mr. Butz and his colleagues at the USDA remain strongly opposed to anything smacking of a commodity agreement or a federally financed reserve scheme: the Agriculture Secretary's steady purpose is to "get the Government out of farming."

Mr. Butz, however, did remark on Monday that he wished the Soviet Union would build up reserves to *cushion the impact* of deals as large and as sudden as this year's. He is likely to be pressed hard to work for some concrete gesture by Moscow towards more orderly purchasing, especially now that the USDA officially regards it as a regular customer—the same status given to the Common Market and to Japan.

Dominating position

The Administration looks even less kindly on the suggestion that it should set up a Federal Agency to handle export sales, along the lines of the Canadian Wheat Board. But more is likely to be heard when Congress returns from holiday next month, of plans to oust the half-dozen private export firms from their dominant position in the market, and there is support from farmers, some commodity dealers and many academic experts for giving the U.S. Government the power it now lacks to protect the domestic economy from savage price fluctuations. To many liberal Congressmen, the time *must seem ripe for an attack on* the grain companies, most of which are now implicated in the widening investigations of fraud, short-weighting and adulteration of shipments on a huge scale that have been uncovered at Gulf and Mississippi river terminals.

President Ford's position in the middle of all this is an unenviable one. It remains to be seen how far he will go in supporting the unshakable faith which Mr. Butz has in the wisdom of the free market, but he is being made to realise that defence of the principle risks costing far more in political terms than anyone could have guessed a few months ago.

MEN AND MATTERS

Duffy's critical team

"One of the roles of a select committee," said Dr. Edmund Marshall, Labour MP for Goole, "is to adopt a critical attitude all round." There was duly plenty of detailed criticism in the 145-page Parliamentary subcommittee report on the motor industry, *and some of it was* considerably toughened up at yesterday's Press conference.

Pat Duffy, committee chairman and Labour MP for Sheffield Attercliffe, served up quotable and waspish thoughts about the Ryder report on British Leyland, Engineers' leader Hugh Scanlon, and his militant deputy Reg Birch. Sir Douglas Wass, Permanent Secretary at the Treasury, was sideswiped, too.

In contrast, there were warm words for John Barber, the most senior casualty so far of the Ryder plan, currently breathing defiance about departure. The Parliamentary report points out "the decision not to retain the services of Mr. Barber followed from the adoption of Ryder's recommendations on structure, which Mr. Barber judged unsuitable, and to the shortcomings to which we draw attention."

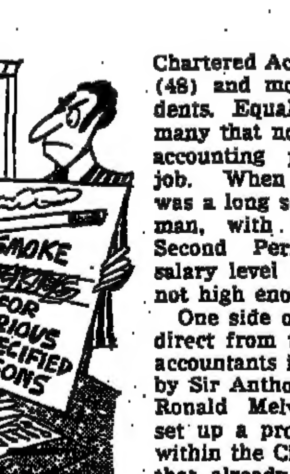
So do Duffy and colleagues think Barber should not be sacked? Duffy recalled that many parts of his report were based on Barber's evidence and then plumped for more direct support: "There should be a place for Mr. Barber in the British car industry."

Birch, an official of the Engineering Union executive nominated in June to the TUC General Council, infuriated the committee by his characteristic nonchalance in answering questions. After claiming ignorance of the committee's purpose, Birch was asked about the influence of his own Maoist-inclined Communist Party of Great Britain (Marxist-Leninist) at Ford, where he is secretary of the negotiating committee. Was his bizarre political group representative? If it was, Birch said, "nobody would work at Ford. It has no following whatsoever there. Only an idiot would work at Ford."

Scanlon himself proved an *annoyance. As with the invita*tion to take his Government-sponsored Board seat at Norton Villiers Triumph, Scanlon pleaded that other commitments prevented him from attending hearings.

As for Wass, committee member Robert Maxwell-Hyslop, Conservative member for Tiverton and a Rolls-Royce man before entering Parliament in 1960, invited others to join in his surprise at Wass's personal view that only public expenditure of the order of £1bn. in any one year "might be relevant to the rate of inflation, depending on the state of the economy." Wass also said that Ryder had not obtained his assumptions on future inflation rates (tailing off to ten per cent. annually, after 1979) from the Treasury, which, he had to admit, was not awfully good at that particular forecasting game.

Wherever Ryder did obtain his figures, this was one of the points which set Duffy off with memorable lines like: "Ryder and his team had thought of money rather as confetti." A little later, Duffy growled that Ryder had been "dealing in marked cards." That got a chuckle or two, but then an awkward point: playing or racing cards? Duffy hastily referred to an opaque passage in Ryder's own evidence where the analogy originated. Further explanations will have to wait, as Ryder's team was last night reserving comment on the Parliamentary battering the day had brought.



"You've hit the nail on the head!"

Sharp accounts

"Size is purely relative," remarked Kenneth Sharp, dismissing the idea that there is any essential difference in the decision-making process between being senior partner of an accountancy firm in Carlisle and holding not one, but two impressive-sounding Whitehall handles: Head of the Government Accountancy Service, plus Accountancy Adviser to the Department of Industry.

At Armstrong Watson of Carlisle, Sharp says his typical client is a family business where the boss knows every employee by his Christian name. If you are doing the accounts for 100,000 instead of 100, then it is bound to be a less efficient reporting system than by speaking to just one man. "But you build in a system to get the same results, though subjective judgments all down the line cloud the principle."

So Whitehall apparently holds no terrors for Sharp, who came to prominence last year as one of the Institute of Chartered Accountants' younger (48) and more vigorous presidents. Equally, it may surprise many that no one from the big accounting practices got the job. When advertised, there was a long search for the right man, with some saying the Second Permanent Secretary salary level (now £17,175) was not high enough.

One side of the brief springs direct from the 1973 report on accountants in the Civil Service by Sir Anthony Burney and Sir Ronald Melville. This is to set up a professional structure within the Civil Service such as that already used for lawyers, economists and statisticians. But the report also said the new man should have a departmental brief, and Sharp says it is a sign of the times, "with ever-increasing intervention," that Industry has been chosen for him.

That, he says, is the area in Whitehall where accountants come closest to a commercial function, doing the same sort of investigations as to where money should be invested as they do in the private sector.

Gloves off

Boxing, declares the Australian Medical Association, is a "vicious and uncivilised sport" and supports the views of the authoritative National Health and Medical Research Council denying all the claims for boxing as a healthy form of physical training, discipline, as a check on juvenile delinquency or as an outlet for psychopathic traits.

To cap its argument, the association, formerly the British Medical Association of Australia, says: "The medieval notion that pain is somehow ennobling is discarded even in British public schools." They haven't heard about the fees, of course.

Observer

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Lord Ryder's recommendations to the Government on British Leyland's future came under attack yesterday by a Parliamentary committee

Adding a hard rider to Ryder

BY TERRY DODSWORTH

IT IS a pity that the Parliamentary committee report on the motor industry, published yesterday, was not available four months earlier. April saw the production of the Ryder report on British Leyland, its hasty acceptance by the Government, and a swift succession of appointments which put in train a fundamental—and now pretty irreversible—reorganisation of the company. What was lacking then, all the *antagonists* suggested, was an alternative critique to the extremely affirmative voice of Ryder. The Commons committee (the trade and industry sub-committee of the Expenditure Committee), while also producing a general analysis of the British industry has provided just that.

A summary of its main points shows just how far it has gone in contradicting Ryder:

1—On the delicate political question of employment levels, the committee brushes aside the vague references to "realistic manning levels" of the Ryder report. "Unless the Corporation achieves a very much higher level of output—and related sales—than Ryder forecasts, it must shed labour," it says. The Corporation's present labour force (about 170,000) would have to come down to 120,000 to match Japanese productivity levels, says the committee.

2—Discussing the Ryder proposals on management organisation—in many ways the most dramatic part of the Ryder report because of its censure of *managing director, Mr. John* Barber—the committee reveals itself to be extremely antagonistic to the Ryder concept of a holding company. It believes that the Car Division represents too great a single concentration of power, and states that "Ryder put too much of the onus on the compatibility of personalities rather than on the correctness of the structure."

3—The committee takes a *much less optimistic view of* the future market than Ryder and says that the report's forecasts were not done "sufficiently thoroughly." This is not *just a question of looking at the* growth of the market, although the committee has extrapolated from the extremely bald figures in Ryder to show that BL *would have to increase* the number of units it sells in Europe from 200,000 a year to 390,000 if it is to meet its targets by 1985. The Commons' *report also points to* the problems of current world overcapacity, the possibilities of a price war, and the effects of inflation in damping down demand. *(It is calculated that* there is enough car-making capacity in Europe to produce 12m. cars a year, against estimated demand by 1980 of 10.6m.)

Volume

It also talks of the Department of Industry's "alarming complacency" about the company's ability to achieve these increases in penetration.

4—BL's model strategy, broadly based on a decision to bring the range down to five basic cars, is also attacked. "A concentration on the more expensive sectors (perhaps on the pattern of Peugeot) might *be successful*: a concentration on the mass market might be successful. To attempt both may well be to succeed in neither."

Linked with this is the question of the desirability of remaining in large volume manufacturing. The committee notes that it is with "a signal lack of *supporting* argument" that Ryder rejects the view that BL cannot compete in this sector with the large volumes of the big Japanese and European countries.

5—Finally, the committee proves to be extremely sceptical *of Ryder's financial analysis.* Inflation, it argues, is the first problem, although Ryder assumes that it will be brought under control. But the *committee goes on to point out that,* according to the Ryder report, BL would need to be generating annual profits of £400m. (£250m. at 1975 prices) during the last years of the reorganisation. This compares with average pre-tax profits of £28.5m. in 1968-74.

Emphasis

"If BLMC were to earn such profits, it would be more profitable than any large European motor manufacturer has yet been," the committee comments.

Behind all these detailed criticisms, however, is a general point on which the committee lays great emphasis. The Ryder report, it suggests, was not written in a completely open-ended situation: the implication is that the report merely puts flesh on a prior Government decision to rescue BL. Indeed, the committee says that "we believe the Government's initial Ministerial stance conditioned the findings of the Ryder report."

It goes on to suggest that, because of this bias, sufficient weight was not given to the arguments for splitting up the Corporation, and that, "dissent from the original (Government) view became steadily more difficult and, in the end, impossible." Moreover, it suggests, if the decision to split the company had been made, with specialist cars and commercial vehicles going their own way, and the Government supporting the doubling of capacity in the volume division, it could possibly have halved the call on taxpayers' money.

These points about overbearing, and often mistaken Government influence are echoed throughout the report. The Treasury in particular is taken to task for its methods of demand management—an old sore of the motor industry—the DoI for its lack of clarity *in its intervention criteria,* and the whole of Whitehall for insufficient co-ordination.

On the Treasury, for example, the report points out that Sir Douglas Wass, Permanent Secretary, admitted that "fluctuations in demand during the 1960s had had a destabilising effect on investment, and . . . this had been one of the greatest difficulties that the British industry has had to face."

The committee contrasts this with the experience in Germany. The West German Government, it says, has used the motor industry as "an engine of economic growth," and deliberately refrained from making it a tool of demand management. In a damning conclusion, not altogether surprising to those who witnessed the special enthusiasm with which the MPs took on the Treasury witnesses at the *committee hearings,* the report concludes: "We can find no evidence to suggest that the use of the motor industry as an instrument of economic regulation was not undertaken with little awareness of its possible results, and largely as a matter of convenience."

COMPARISON OF LABOUR PRODUCTIVITY

1974	Value added per man	Gross output per man	Fixed assets per man
G.M.C. (U.S.)	£8,600	£17,495	£4,346
Ford (U.S.)	£7,966	£19,905	£5,602
Opel	£5,875	£14,747	£3,612
Daimler-Benz	£5,207	£12,672	£2,694
Volvo	£4,886	£14,790	£4,662
Ford Germany	£4,883	£14,186	£3,608
Volkswagen	£4,767	£11,077	£3,632
Saab	£4,637	£19,972	£3,141
Renault	£4,133	£12,928	£2,396
Ford (U.K.)	£3,901	£11,397	£2,657
Chrysler (U.K.)	£2,765	£ 9,968	£1,456
Vauxhall	£2,560	£ 7,975	£1,356
Fiat	£2,259	£ 8,142	£3,160
B.L.M.C.	£2,129	£ 6,539	£ 920

One of the strengths of the report is the connection it establishes, as in the above paragraph, between the health *of the industry and the economy* generally, and its vulnerability to changes in the world market. It concludes, for example, that some 1.3m. workers—about 5 *per cent. of the total national* workforce — are employed in motor manufacturing, selling, repair and maintenance and that these account for 7 to 8 per cent. *of gross domestic product: and it* shows that the balance of import/export trade in motor goods is still very much in favour of the British industry—by £782m. in 1974.

On the other hand this emphasis on the wider aspects of the industry (in particular design, commercial vehicles and component) only accentuates the poor performance of the car sector. On components, the committee concludes that this is "one of the greatest areas of comparative advantage for the British motor industry," and on commercial vehicles it says: "Given the greater profitability of commercial vehicles operations, it is unfortunate that *greater investment could not be* undertaken in this sector."

Injection

The root problem, in car production is, however, low investment and out-dated plant. The analysis of productivity (see the table) establishes, the committee *says, a conclusive relationship* between relative fixed assets per man — consistently higher overseas — and value added.

So, in a sense, it comes back to the Ryder conclusions about the need for an injection of capital into the industry. The difference is that the committee takes a much cooler look at the implications of Government intervention and the problems it inevitably brings in its train. Talking of the Department of Industry's view that the sum suggested by Ryder might prove "unnecessarily large," it warns: "Given the *heavy expenditure* required, the proportion of which will be capital expenditure, the lead time which capital expenditure in the motor industry *needs before results are* shown, the sensitivity of forecast profits to inflation above the predicted rate, and the sensitivity of forecast domestic sales to any measures restricting demand in general, we think it a very remote possibility that Parliament will be told that the amount of funds allocated is "unnecessarily large."

The committee also takes a much less sanguine view than the DoI of the Government's ability to control its investment in BL: in particular, it says, even if the company fails to meet its established industrial relations and productivity targets, Parliament may find it virtually impossible to withhold a loan tranche (as the DoI suggested) which could "well ensure the squandering of the sums already expended."

On this central interventionist *dilemma* of when to go on with support and when to cut it off, the committee makes no firm recommendations. But the implications are clear from the explanations given by committee members yesterday: it will not be possible to stop further loan tranches under the present organisation, but since that organisation is itself suspect, there should be a new appraisal and an adjustment of the Ryder proposals.

At the same time, says the Committee, competitors must have the consequences of selective assistance to British Ley*land clearly spelled out to them.* The paradigm case suggested by this proposal is the motor-cycle industry, where Government support of Meriden has clearly affected the future of the rest of the industry. Intervention, the committee argues, impinges on more than the immediate recipient of aid, and since that assistance is taxpayers' money, taxpayers have the right to know how they are affected.

Support

How these adjustments to Ryder can actually be pushed through is another matter, given the unexciting history of committee reports. Mr. Pat Duffy, chairman of the trade and industry group, indicated yesterday that they could expect strong Parliamentary support *for their proposals,* and that they were determined to pursue the executive for answers.

Finally, he stressed continually the *sheer size* of the investment proposed by Ryder, and the need for Parliamentary supervision of such large cash injections. In the words of the report: "A firm's concept study based on 'a fairly free availability of cash is unlikely to have rigid economy as its central theme, and it is *rigid economy* and *high cost effectiveness* which should be two of the criteria for the expenditure of public money, not to mention commercial survival."

Letters to the Editor

Secret ballot for directors

From Mr. W. Eborn

Sir,—The current opposition being mounted against employee directors seems to me to be both futile and mis-directed as employee *participation is inevitable* within the next few years. It is much more important that industry directs its efforts to ensuring that these employee representatives must be chosen by a secret ballot at which all employees of the company have the right to vote.

W. B. Eborn
Mill House, Rectory Road, Wivenhoe, Essex.

Prices and HMSO

From the Controller, HM Stationery Office.

Sir,—You have recently published a number of letters about the cost of Price Commission reports, the latest being that from Mr. J. E. Oliver in your issue of August 9.

These reports are published by Her Majesty's Stationery Office. In common with many other similar publications, they are priced according to a scale that takes into account the amount of material to be printed, the complexity of the job and the style of presentation. This scale of prices reflects the cost of production; any proposals to change it *are submitted to the Price Commission* for its comments and subsequently to Ministers for their approval. Neither the Price Commission nor any Government department approves the *prices of its publications individually.*

For some time HMSO prices were held down below the cost of production, with the result that we sustained substantial losses. Current policy is to cover costs and make a modest return on the capital employed.

Harold Glover.
Her Majesty's Stationery Office, Atlantic House. Holborn Viaduct, E.C.1.

Bibliography on the Chunnel

From Mr. A. Cornish

Sir,—Mr. Donald Hunt, public relations representative to the British Channel Tunnel Company, is clearly a sore loser. Judging from his letter of August 8, he also cannot tell a *well from a hole in the ground,* unless of course, he has been reading a different Cairncross Report to the one which I obtained from HMSO!

My Cairncross Report joins the succession of independent reports which identify his defunct project as commercially non-viable. It makes quite clear that it was and would always have remained dependent upon massive Government support—to continue would have required ". . . the allotment of large additional sums of Government credit . . ." (Para 5.1.4).

It is against this background that Mr. Hunt still has the incredible gall to proclaim that the project would have been built at no cost to the taxpayer—and to couple this with the accusation that it is I who distort the facts!

Mr. Hunt's fine distinction between the Cairncross "recommendations" or "suggestions" for the establishment of various advisory bodies, is an exercise in semantics the value of which frankly escapes me. But then it is Mr. Hunt who is the professional wordsmith and propagandist.

In any case, I would have thought *my call for a properly* indexed bibliography of reference material—rather than a list of individuals and organisations—was fairly innocuous, and indeed the only appropriate scientific and academic epitaph *to the recent debacle.* I will continue to express my surprise that an academician of the distinction of Sir Alec Cairncross should omit such a thing. What has Mr. Hunt—defender of the *Chunnel faith—to fear from a* simple bibliography?

Alan Cornish,
Afco Associates, 21 Tennyson Avenue, E11.

Definition of wealth

From Mrs. H. Derrick.

Sir,—Mr. Talbot is right when he says (August 5) that a pension is that part of earnings which is deferred until retire*ment* and I *agree in principle* that it should not be subject to wealth tax.

It is unfortunate that during inflationary periods (which, in practice means nearly always) *the value of a pension is gradually* eroded. As pensioners are not a pressure group, this results in their living standards gradually falling. First they cannot afford a car, then the bus fares; their houses fall into disrepair and they exist on fewer clothes, less food and less heat. Until recently, inflation was in single figures and most people expected to die before the stage of acute hardship was reached, but with present-day inflation this can occur within a few years.

Now if it is right for civil servants and the like to be spared such misery it is right for everyone, or we shall become "two nations," the index-linked and the non-index-linked. It would not be difficult for pensioners' incomes to be index-linked through the income-tax system, since the Inland Revenue have complete details of income sources, and "compensatory payments" could be made by monthly Giro cheque.

If our masters say this would be too expensive, then the capital value of inflation-proof pensions above that produced by the statutory 15 per cent. of income should be subject to wealth tax. We cannot have one set of rules for the policy-makers and another for the victims.

Hilda M. Derrick,
The Change, Randwick, Stroud, Glos.

Local authority spending

From Mr. P. Klein

Sir,—Once again council spending is in the news with another barrage of vague ex*hortations from central Govern*ment for cuts to be imposed—somewhere, somehow. As usual, the central issues which have a major effect on local authority spending are being left in decorous obscurity so that a solid foundation of expenditure increases without corresponding service improvements is being established for the future.

The facts that local government is now paying fabulous salaries; that about 100,000 extra staff have been taken on over the past 12 months; that uneconomic capital projects are embarked upon are all basically reflections of the incredible laxness of local government accounting methods. Manpower, accommodation and major capital resources such as computers, which together account for over 70 per cent. of an authority's budget, are made available from a central pool and are never, and indeed can never be, taken into account when assessing the cost of individual projects within in*dividual departments.*

This system pushes departments to undertake projects, which may all be worthwhile and necessary, so as to use council resources as much as possible even when the true cost is double the cost of purchasing a "ready made" solution from an outside organisation. In this way, the incremental cost of any project to a particular department is very low, which looks good in the accounts, but there is a continuous pressure on the council to expand central resources without any reliable indications as to how effectively those resources are being used.

Even with the best will in the world, the efforts of any councillor or executive to contain expenditure will be frustrated by a system which makes it impossible even to isolate the areas where a new approach would be most effective. Working in such financial semi-darkness inevitably means that only the obvious cuts, with corresponding loss of services to the public, will be made while for the wasters it is "business as usual."

The Minister's prime task should be to develop an accounting system which will allow the councils to exercise some meaningful control over the millions spent.

P. M. Klein,
Flat 3, 31 St. Andrew's Road, N.W.11.

Rights issues

From Mr. R. Taylor

Sir,—Many investors living overseas use a U.K. bank ad*dress,* and entrust their bank to *re-address correspondence unless* the contents are thought to be important and urgent. Letters re-addressed to overseas are despatched by the postal authori*ties by surface mail,* and as a result can arrive too late.

It is, of course, very difficult for a bank to decide whether to intercept any particular letter, especially when companies send out important *documents (such* as letters of allocation for a *rights issue)* in envelopes which look like circulars because they are sent second class (BOC International did this). May I suggest that such envelopes be marked "do not re-address overseas by surface mail," or some other method of indicating that the contents are important be adopted.

Reginald Taylor,
P.O. Box 2012, Stoke (Nelson), New Zealand.

Protect the shareholder

From Mr. G. Andrew.

Sir,—Who is to protect the rights of the shareholder in a company which chooses to suspend its quotation indefinitely?

I hold shares in a company *which asked for a temporary* suspension of its quotation in December 1972 pending an acquisition. Since then various dates for re-application have been given and long since passed. With the chairman holding 62.5 per cent. of the equity the future seems totally uncertain.

When the investor buys shares *in a quoted company* he should also acquire the right to sell his holding. The Stock Exchange Council protects the shareholders by suspending quotation in abnormal circumstances. Does it not also have a duty to protect the shareholders from being "locked-in" by suspension sine die?

Geoffrey Andrew,
85 Woodlands Road, Liverpool.

Institutions can act as leaders

From Mr. J. Beevor

Sir,—The interview with Harold Lever (The Guardian, August 5) is remarkable for the smokescreen which that usually rational and intelligent politician spreads over the scene. It is also evident that, as the leading spokesman *for a Government* which for many months has cri*ticised investment institutions* and the City generally for failing to invest in British industry, he is now seeking to discourage the one obvious way of remedying that situation, namely by the formation of a new institution to provide equity or quasi-equity capital for companies large or small, who are unable to raise it through normal channels.

He is reported as saying "I am not an advocate of any central attempt by the City to organise a City plan for Britain's *investment. It is easy to believe* that problems are solved by setting up institutions for the purpose of solving them. But it usually turns out to mean the evasion of the problems." Those remarks are doubtless not intended to apply to the new National Enterprise Board or to the British National Oil Corporation but, if they have any validity, they might well do so. *He* does not support his sweeping generalisation with any examples but, although no doubt some examples can be found, I for one, *having studied this subject* for many years in many countries, believe it to be profoundly untrue.

As a former international civil servant with nine years' experience in the World Bank Group in Washington, I have seen the creation and working of many industrial development finance companies, designed by the World Bank with the support of the Government concerned and private investors both foreign and local in establishing a source of investment capital which in the less developed countries is often scarce or non-existent. Although the degree of success has naturally varied with the climate for private investment, I can say with confidence that generally speaking the creation of such institutions has contributed greatly to achieving the objective of private investment capital, partly from private and partly from public sources, for encouraging the private sector in industry.

Britain has so long been the pioneer in investment institutions and mechanisms at home and overseas, the chartered company, the joint stock company, limited liability, investment trusts, unit trusts and the underwriting and placing of capital issues, that it is both hard and sad to recognise that the actions of successive Governments, particularly Labour Governments, have largely destroyed the individual sources of private capital and have discouraged the institutional sources from providing capital for industry in the private sector. The situation however exists, as the present Government constantly maintains, and I have no doubt that a large part of the *remedy,* leaving aside the need to improve the investment climate, consists in establishing an institution financed in whole or in part from private sources and directed and managed on vigorous private enterprise lines combining adventure with prudence and sound sense.

Mr. Lever is further quoted as saying "I have heard of many ideas to set up institutions for splendid purposes, but I have not heard any concrete particulars on how these purposes are going to be achieved." He is said to be sceptical on the setting up of a "gadget institution." For a man of his standing and knowledge I find these observations misleading and deplorable.

Mr. Lever's apparent preference is that the need is for "individual institutions acting in concert as required but from a new standpoint rather than a traditional one." I believe, from experience based on many other countries, that loose co-operative *attempts are seldom if ever practicable* in this field, but that, if the proper institution is formed with strong backing and sound direction and management, it can act as a leader which other institutions will follow in investments of their choice.

I quote in this connection the records of the Commonwealth Development Finance Company, a company formed on private enterprise lines, the Commonwealth Development Corporation, a statutory body, the International Finance Corporation, part of the World Bank Group, and numerous local development finance institutions which they or others have established in five continents.

I sincerely hope that those who are studying this problem in the City will not be deterred by Mr. Lever's smokescreen and that he himself will reconsider the situation, which in my respectful view he has gravely misdescribed.

J. G. Beevor.
51, Eaton Square, S.W.1.

Investment managers

From Mr. L. Gold.

Sir,—Who originated the stupid idea that "investment managers" should become involved in industrial management, and why? Some of them, of course, have "flair," but by and large they appear to behave rather like a *flock of sheep, and although* industrial management in this country is far from perfect, I find it difficult to believe that our "investment managers" have much to contribute in this respect.

Lionel Gold.
Brookers Cottage, Back Lane, Shipbourne, Kent.

GENERAL
TUC economic committee meets, London.
Israeli delegation continues negotiations for U.S. military and economic aid, Washington.
Association of Natural Rubber Producing Countries continues meeting to draft price-stabilisation agreement, Kuala Lumpur.

COMPANY RESULTS
Carrington Viyella (half-year).
Corah (half-year).
General Accident Fire and Life Assurance Corporation (half-year).
Ultramar (half-year).
Unilever (half-year).

To-day's Events

COMPANY MEETINGS
Baker Perkins, Connaught Rooms, WC, 12.15
Kimpher, Winchester House, EC, 12
Twinlock, Sanderstead, 3.
Wolverhampton Steam Laundry, Wolverhampton, 11.30.

OPERA
English National Opera production of the Magic Flute, Coliseum Theatre, London, 7.30 p.m.

BALLET
London Festival Ballet dance Prince Igor and Giselle, Royal Festival Hall, London, 7.30 p.m.

MUSIC
Henry Wood Promenade Concerts: BBC Welsh Symphony Orchestra, conductor Boris Brott (David Wilde, piano) perform Brahms Symphony No. 3 in F Major, Laudi, by William Mathias, and Tchaikovsky's Piano Concerto No. 1 in B Flat Minor, Royal Albert Hall, London, 7.30 p.m.
Tokyo String Quartet play music by Brahms and Ravel, Queen Elizabeth Hall, London, 7.30 p.m.

COMPANY NEWS + COMMENT

Smith & Nephew just ahead at 24 weeks

Taxable profits for the second 12 weeks of Smith and Nephew Associated Companies show a marginal decline from £2.77m. to £2.68m., leaving the figure for the *first 24 weeks just ahead from* £5.45m. to £5.54m.

The interim dividend is lifted from 0.6137p to 0.644p net. Last year's total was 1.8382p paid from profits of £11.73m.

	24 weeks 1975 £000	1974 £000
External sales*	54,390	48,545
Operating profit	6,353	5,836
Associates	309	327
Net interest paid	1,637	858
Profit before tax	5,537	5,445
Tax	2,520	2,498
Net profit	3,017	2,957
Minorities	12	16
Attributable to holders	3,005	2,941

* Excluding associates.

The directors say that sales show an increase of 12 per cent. in spite of a decline in plastics and cosmetics.

Operating profit shows an increase of 10.6 per cent. and, except for plastics and cosmetics, other activities are earning some 20 per cent. more than last year.

Adverse conditions in the cosmetic market which began in 1974 will necessitate the discontinuance and rationalisation of *some lines. This and the elimina*tion of stocks, accumulated over several years, is expected to require an extraordinary write-off. The extent of the write-off will depend on trading conditions later this year but will not be material relative to group assets.

The third report covering the 40 weeks ending October 4 1975 will be issued about the middle of December.

● comment

Smith and Nephew's growth rate *petered right out in the second* quarter of 1975 when profits dipped by 4½ per cent. pre-tax on a marginal rise in sales. The two main problem areas, plastics and cosmetics, are both suffering world-wide recession and, although the group is busy *streamlining the product range of* the latter the profits contributions from both are likely to be significantly lower at the year-end. Elsewhere, the outlook is better with the medical and textiles divisions still moving steadily ahead and the hygiene interests are beginning to pick up after a slowdown earlier in the year. However, the Price Commission's enquiry must still cast a shadow over the medium-term prospects of the group's sanitary products side and the most that can probably be hoped for in the current year is an unchanged pre-tax level. At 48p the shares are yielding a historic 5.9 per cent. on a price earnings ratio of 11.4.

David S. Smith tops forecast

AFTER A forecast at halfway that results for the year to April 30, 1975 would be in line with the previous year, printers and carton manufacturers, **David S. Smith (Holdings)** reports an increase in pre-tax profit from £746,257 to *£778,375.*

At halfway profit showed little change at £340,000 and the directors now say that on present indications the first half of the current year should prove to be much the same.

The final dividend is 1.0073p net *which effectively raised the* total from 1.8823p to 1.9973p.

	1974-75 £	1973-74 £
Profit before tax	778,375	746,257
Corporation tax	373,000	395,179
Tax equalisation	34,000	20,000
Net profit	371,375	331,078
Dividends	188,000	101,577
Capitalisation issue	173,521	136,329
Forward	337,318	240,553

● comment

David S. Smith is one of the more fortunate units of the packaging business, as it specialises in supplying the tobacco industry. Admittedly it faced a period of destocking by the tobacco customers, but this was relatively short-lived and annual sales increased by 20 per cent. Orders are now flowing in at a more normal pace and, as demand from the public drifts towards cheaper brands, orders for king-sized packets are lower. More significantly there is an increasing demand for packets of "tens" rather than "twenties," which makes for a useful increase in sales. Yet increasing sales may not make much difference to profit this year, as other packaging companies hungry for work enter into competition for orders from the tobacco groups, and so margins may well decline further. Nevertheless, the dividend is well *covered at 3.4 times, and the 13.3* per cent. yield and p/e of 3 hardly do justice to the company or its strong balance sheet — cash doubled to £663,000 without any borrowings last year. Still, one reason why the shares, standing at 24p, have not taken off this *year may be the thin market*

Associated Tooling off target

FOR THE year to February 28, 1975 taxable profit of Associated Tooling increased 18 per cent. from £220,312 to £260,108.

At half-way when reporting an improvement from £102,000 to £148,000 the directors said that profits for the second half should be similar to those of the first.

Earnings for the year are shown to have risen from 5.8p to 6.7p per 25p share and the final dividend is 0.9425p net for a 1.903625p (1.7982p) total.

	1974-75 £	1973-74 £
Turnover	2,079,340	1,272,778
Group trading profit	[illegible]	336,993
Depreciation	80,467	80,499
Interest	52,909	36,071
Profit before tax	260,108	220,312
Tax	143,164	119,566
Net profit	116,944	100,746
Prior years tax equal.	—	34,160
Interim dividend	16,623	13,101
Final div.	18,249	13,002
To reserves	36,194	94,937

Ault and Wiborg

The interim report of Ault and Wiborg states that results, announced yesterday for the first half of 1975 reflect a serious down-turn in business volume since the end of February particularly in the printing ink division.

Results of the paint division were also lower but the chemicals and resins division shows a small increase and Warwick Chemical (Yorkshire) has contributed to those results as forecast. The contracting division also contributed an increased profit.

In the present uncertain economic climate it is difficult to *foresee with any accuracy the likely profitability for the year say* the directors. But they consider *that it should be possible to main*tain the dividend payment at current level of 2.17125p net.

Mercantile Investment downturn

TOTAL INCOME for the half-year to July 31, 1975 of Mercantile Investment Trust fell from £3.2m. to £2.56m and, after tax, etc., of £443,654 against £620,310, the amount available for distribution contracted from £1,103,810 to £721,105.

The net asset value per 25p share is given as 36½p xd compared with 29½p xd as at January 31, 1975.

The net interim dividend is held at 0.4375p. Last year's total was 1.61p, *paid from net revenue of* £2.24m. after tax.

	Half-year 1975 £	1974 £
Franked income	1,097,886	1,385,517
Other income	1,466,078	1,811,399
Total income	2,560,944	3,204,926
Management expenses	174,763	135,406
Deb. and other int.	1,321,459	1,354,770
Taxation	443,654	620,310
Available for distrib.	721,105	1,103,810
Pref. dividends	86,784	86,754
Interim Ordinary	396,932	396,874

The directors say that as foreshadowed in the chairman's statement in March there has been a substantial reduction in revenue. However, they confirm their intention, subject to unforeseen circumstances, to propose an unchanged dividend for the year.

Dunlop Estates

First half 1975 taxable profits of Dunlop Estates Berhad fell from M$5.5m. to M$4.6m. on a turnover down from M$47m. to M$35.9m. The interim dividend is held at 5 per cent.

The company said that turnover fell due to lower concentrate latex sales—down 24 per cent., and dry rubber sales—down 20 per cent., coupled with a decline by an average of 33 per cent. in realised prices. However, sales of palm oil, palm kernels and cocoa beans rose by at least 38 per cent.

The major factors affecting profits were the government's price stabilisation scheme which improved prices but accounted for a drop of 16 per cent. in the rubber crop.

The rates of palm oil export duty and surcharge based on prices for oil were greatly in excess of those actually realised, *members are told.*

It estimated that had palm oil export duty and surcharge rates been based on realised prices, pre-tax profit would have been higher by about $1.75m.

Cawoods up by £714,000

TAXABLE PROFITS of Cawoods Holdings showed an increase from £3.41m. to £4.12m. in the year ended March 31, 1975, following a first half rise from £1.31m. to £1.76m.

Turnover of the group—which has widespread interests in the distribution of solid and oil fuels, shipowning and container services, and aggregates and road materials —expanded from £86.78m. to £131.48m. in the year.

After tax the net profit emerges at £1.89m., compared with £1.59m., and stated earnings per 25p share are up from 14.39p to 17.09p.

The gross dividend total is raised by the permitted maximum —from 7.83514p to 8.63984p., with a final of 6.425p.

	1974-75 £	1973-74 £
Turnover	131,487,002	86,757,840
Trading profit	4,802,005	4,306,913
Investment income	24,545	16,031
Interest Received	412,083	212,472
Trading surplus	5,238,643	4,535,416
Depreciation and Amortization	1,104,086	1,080,240
Operating profit	4,134,557	3,455,176
Share associates	190,303	111,251
Unsec. loan int.	134,501	140,344
Profit before tax	4,120,460	3,406,177
Taxation	2,230,548	1,817,476
Net profit	1,889,921	1,588,702
Extraord. debits	10,648	*73,017
Available	1,879,273	1,661,719
Dividends	836,141	591,733
Retained	1,043,132	1,069,986

* Credits.

● comment

After a 34½ per cent. increase at the interim stage, Cawoods pre-tax profits are 21 per cent. ahead. As with AAH, the group benefited from advance buying in the fuel distribution side, ahead of the April 1 coal price increase, but growth here of 34 per cent. is less than at AAH because of Cawood's greater involvement with fuel oil. Elsewhere, increases of £183,000 in refractories and £205,000 in interest receivable have more than offset a combined fall of £243,000 in building and road materials profits. Cash balances have fallen by £960,000 to £1.7m. during the year and have since been depleted by summer stock-building, with the October price adjustment in mind, which is one of the factors behind a lower profits trend so far this year. However, following the deal with LASMO, the group should be able to take up the remaining £938,236 of outstanding loan stock (due for repayment by December in any case) and on an uncalled equity commitment of only £540,000 has succeeded in maintaining a small interest in Ninian worth about 35p per share on outside estimates. At 122p the yield is 7.3 per cent.

Statement Page 14

Colonial Mutual

New premium income of Colonial Mutual Life Assurance Society for the first half of 1975 was £2,351,005 an increase of 23 per cent. on the same 1974 period. Sums assured advanced by 34 per cent. to £189.8m.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Acrow		1.94	Dec. 5	1.43	2.60	*3.18
Aquis Securities	int.	0.23	Oct. 6	0.2	—	0.95(b)
Associated Tooling		0.94	—	0.92	1.91	1.8
Cawoods		6.43(a)	—	5.89	8.64	7.88
Gaskell (Bacup)	int.	1.98	Sept. 17	1.98	—	4.65
Kingside Investment	int.	0.35	Oct. 13	0.33	—	1.75
Mercantile Inv.	int.	0.44	—	0.44	—	1.61
Owen and Robinson		10	—	10.5	15	15
Provincial Cities Trust		1.34	—	1.34	1.87	1.87
Renwick Group		0.59	—	1.18	1.76	2.35†
Securicor Group	int.	0.35	Sept. 26	0.34	—	1.43
Security Services	int.	0.81	Sept. 26	0.78	—	2.27
David S. Smith		1.1	Sept. 30	1.04	2	1.88
Smith & Nephew	int.	0.64	Oct. 2	0.61	—	1.84
Joseph Stocks		2.25	—	2.0	3.25	3.0
'Suits'		2.61	Sept. 26	2.48	4.49	4.23
Ward Hlds.	int.	0.98	Oct. 3	1	—	2.68

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Gross throughout. (b) For 15 months.

Renwick just in profit: pays 0.59p final

AFTER BEING halved at midway, profits of the Renwick Group fell substantially from £780,717 to £3,711 for the year ended March 29, 1975. The net dividend is effectively cut from 2.35p to 1.76p per 25p share, with a final of 0.59p.

After tax, extraordinary debits *and minorities, there is a loss of* £277,665, against a profit of £311,135 previously. Excluding extraordinary items, the loss per share before tax is 3p (11.8p earnings) basic and 0.4p (10.8p) fully diluted, and after tax 2.1p (5.3p) basic and 0.7p (4.7p) fully diluted.

Main item in the extraordinary debits is £333,280 losses on discontinuance of activities, the directors having decided to terminate the purchasing of estates for development in the U.K. *Included is £214,146 being* the writing down of sites not under active development which are to be sold.

Chairman Mr. C. W. Wilton says the major problems that have arisen in some sections are being tackled vigorously, and the directors are confident of resolving them.

However, the timing of full profit recovery and of resumption of satisfactory growth is by no means sure and he cannot at present make any forecasts concerning profits or dividends for the current year.

Interest charges for 1974-75 were up from £411,476 to £719,106. At the year end borrowings totalled £8.61m. (£3.71m.), while debtors were £3.95m. (£3.47m.) against creditors of £5.24m. (£3.74m.).

Mr. Wilton says a major deterioration in trading conditions emerged at the end of 1974 and worsened considerably into the new year. This particularly affected many parts of the freight division as well as Devon *Conversions. In addition, property* development, except on low cost housing in Plymouth, was virtually at a standstill.

In the freight division the directors reduced the scale of investment and concentrated on cash flow. Several depots were closed and other economies effected. Mr. *Wilton cannot view the immediate* future with any great optimism but says there should now be a stronger base for future operations.

Further solid progress was made by the travel side. The current year has started well; business done and advance bookings already taken indicate a further marked increase in profits.

The first three months of current trading in the motor division show an improvement in profit, but with further wage increases *inevitable, there is mounting pres*sure to maintain sales in the service and parts departments. The current year will be a difficult one for the manufacturing division with restrictions ranging from high interest rates, and hire purchase regulations to continued deterioration in the Exchange Rate.

Meeting, Paignton, September 4 at 2.30 p.m.

● comment

With three months of the year to run Renwick was looking for £500,000 pre-tax, but the disciplines of a new finance director together with a drastic downturn on the transport side has left the overall balance only just in the black. Interest charges, which are almost doubled, have also taken their toll. These reflect certain interests incurred on development land, which now come above the line, as well as the very high gearing that is now apparent. Indeed with borrowings of £8.6m. against shareholders' *funds of £9.8m. excluding goodwill* and preference, Renwicks priority must be to liquidate certain assets. The land bank is being reduced along with other investments but what the company needs is some improvement at the trading level. Export orders coming through on *the caravan side together with a* reduction in the transport fleet will be some help, but the overall climate is little improved. That leaves the shares at 17p, where the capitalisation is £980,000 facing a very sticky year.

ISSUE NEWS

Renold rights–65%

Renold's rights issue to raise £8.3m. on the basis of one-for-four at 106p was accepted as to 65 per cent. of the shares. The remainder has been sold by J. Henry Schroder Wagg *at a premium on* the issue price, and the net proceeds will be distributed to shareholders entitled thereto except that no payment will be made for less than £1.

BRISTOL WATER

Underwriting arrangements have been completed for an offer for sale by tender of an amount of 9 per cent. Redeemable Preference Stock 1980 in Bristol Waterworks Company to raise *£3m. Full details will be published* on Thursday.

Brokers to the issue are Seymour Pierce and Co., and Hoare and Co., Govett.

SHORT-TERM LOCAL LOANS

The coupon rate on this week's local authority one year bonds has climbed ⅛ of a point to 11⅛ per cent. The issue price is £99⅞, the same as last week, the bonds are due on August 18, 1976.

This week's issues are:—Allerdale District Council (£½m.), London Borough of Hillingdon (£1m.), City of Liverpool (£2½m.), Walsall Metropolitan Borough Council (£½m.), Preseli District Council (£½m.), South Pembroke*shire District Council* (£1m.), Tewkesbury Borough Council (£1m.), Lothian Regional Council (£½m.), City of Durham (£½m.), Huntingdon District Council (£1m.), South Northamptonshire District Council (£½m.), Walsall Metropolitan Borough Council (£½m.), *Dyfed County Council* (£½m.), Hereford and Worcestershire County Council (£½m.), Alnwick District Council (£½m.), Forest Heath District Council (£½m.), Northampton Borough Council (£½m.), St. Albans District Council (£½m.), City of Stoke-on-Trent (£1m.), Coventry City Council (£½m.), St. Helens *Metropolitan Borough Council* (£½m.), South Herefordshire District Council (£½m.), Kennet District Council (£½m.).

MERCHANTS TRUST

In respect of Merchants Trust's 4 per cent. Convertible Unsecured Loan stock 1990-93 the first conversion entitlement on August 1 saw £1,441,299 of the stock lodged for conversion into 2,161,948 Ordinary stock units of 25p. There remains £2,008,701 of stock out*standing.*

UNIT TRUSTS

SAVE & PROSPER

The latest report to unitholders in Save and Prosper Securities' Capital Units shows that during the six months to June 15 the managers reduced the fund's liquidity from more than 25 per cent. of the portfolio to 4.2 per cent.

New holdings were started with particular emphasis given to the North American stock market. *Additions in this sector included* shares in banks, oil and drug companies. U.K. investment in banks, composite insurance, food manufacturing and oil companies was also increased.

The distribution for the six *months to June 15 is 27p* per 100 units making a year's total of 52p.

CHARIFUND

The third quarterly distribution of the Equities Investment Fund for Charities for the accounting period to November 3, 1975, will be 1.8p per unit (1.6p last year) making 3.3p (4.7p) so far this year. Investment in Charifund is restricted to registered charities which are eligible for full tax *relief.*

'Suits' £5.5m. after good latter half

AFTER A marginal rise from £2.35m. to £2.47m. for the first half, *taxable profits of Scottish* and Universal Investments finished the year to March 31, 1975, up from £4.13m. to £5.49m. on turnover of £45m. compared with £32m.

The available profit increased *from £2.56m. to £2.84m.* and the dividend is lifted from 4.23p to 4.49p net with a final of 2.606p.

Extraordinary debits etc of £9.42m. were met from reserves.

	1974-75 £	1973-74 £
Turnover	45,000,000	32,000,000
Profit before tax	5,486,025	4,132,059
Tax	2,644,564	1,564,523
Net profit	2,841,461	2,567,536
Minorities	2,783	2,783
Available	2,838,678	2,564,753
Dividends	1,396,593	1,315,627
Retained	1,442,085	1,249,126
From reserves	13,149,479	—
Extra-ord. debits	9,419,679	—
Forward	5,171,885	1,249,126

Extraordinary debits, etc., comprise the book loss on sale of shares (subsequently re-purchased) and reduction in value of unquoted investments of £1,849,144, the title and goodwill for Glasgow "Evening Citizen" written off of £2,750,000 and the excess of cost of shares in subsidiaries over book values written off on consolidation of £13,826,908 less the profit on sale of House of Fraser shares to Carter Hawley Hale, less tax provision of £10,170,663. In addition there is a provision for deferred taxation attributable to earlier years of £1,164,290.

for every 100 preference shares. An EGM is convened for September 3.

Freehold property was valued at June 20, 1975 at £665,000 on an existing use basis excluding value of goodwill of the business.

On assumption that planning permission can be obtained for the erection of flats in the grounds of the hotel, value of the property would be increased by £180,000.

See Lex

First half setback at Ward Hldgs

A DECLINE in pre-tax profit from £234,000 to £177,000 for the six months to April 30, 1975, reflects the delay in Ward Holdings' building programme encountered early last autumn and the fact that house prices nationally have not kept pace with inflation.

Chairman, Mr. D. J. Ward, says that despite this setback the company is relatively well placed to face the difficulties now confronting the building industry and he *anticipates* that second half results will show an improvement over those of the first.

	6 mths 1974-75 £000	6 mths 1973-74 £000	Year 1973-74 £000
Turnover	1,990	2,398	5,438
House sales	1,532	2,298	5,191
Merchanting Plant Hire	133	78	214
Gross rent, inc.	5	22	71
Profit before tax	177	234	485
Tax	92	122	255
Profit after tax	85	112	230
Extraord. items	—	—	142
Dividends*	49	46	77
Balance	36	66	231

* The cost of dividends for the year ended October 31, 1974, is after taking *into account* waivers amounting to £23,446 in respect of the interim and in respect of the final elections by shareholders to receive shares in lieu of net cash dividends which would have absorbed £100,000. Cost of the interim declared is the cost of the net dividend, less waivers for dividends amounting to £22,679 which have been received in respect of 3,331,681 shares.

The *interim dividend* is 0.973p against 1.005p net. Last year's total was 2.68p *from profits of* £485,000.

The directors and their families now control 63 per cent. of the issued Ordinary capital of the *company.*

£0.85m. rise at Joseph Stocks

AN INCREASE of £85,000 to £430,000 in profits for the year ended March 31, 1975 is announced by **Joseph Stocks and Sons (Holdings)**, wholesale provision merchants, importers and *distributors.*

At halfway, the rise was from £171,000 to £206,000.

The year's profit was earned from a turnover of £25.1m. (£20.82m.), and included £30 (same) investment income and £4,005 (£1,554) profit on sale of assets. *The dividend is stepped* up from 3p to 3.25p per 25p share, with a final of 2.25p.

PALACE (TORQUAY)

The Board of The Palace *(Torquay)* is now proceeding with proposals—announced in February—to substitute 7 per cent. debenture stock for the 100,000 £1 preference shares.

The debenture stock will carry a coupon of 7 per cent. and will be redeemable at £108 per cent. at the end of seven years or earlier at the company's option. Basis of exchange is £100 of stock

ROCKWELL

Rockwell International is discussing the sale of some of the smaller units of its utility and industrial operations.

These comprise less than 4 per cent. of the corporation's total 1974 sales of £2.1bn. but include Teleflexmorse of Basildon, Essex.

The company proposes to sell the units to a group of investors organised by Bear, Stearns and Co., an investment banking firm with headquarters in New York City.

ATV film financing

TO FINANCE *expansion notably* in the production of films for theatrical release, Associated Television Corporation had increased its net bank borrowings by £9.41m. to £12.27m. at March 31 last.

Chairman Sir Lew Grade stresses that benefit from investment in film production is never short-term, and profits should not be looked for at the soonest before the second year.

What, however, is of greater significance than this time lag is the fact that the earning *lifetime,* both at home and abroad, of a successful film is invariably long.

Sir Lew feels that the days of speculative film making are over. It is on the firm basis of pre-arranged distribution that the company's productions are undertaken and all monies expended now are an investment for the future, he states.

The new source of finance will enable the film production and distribution subsidiaries to avail themselves more fully of the in*creasingly wide range of oppor*tunities which exist in the U.S. and elsewhere.

Because of its diversification policy the group is "now very soundly based." Sir Lew asserts. The profit for the year ended March 31, 1975, of ATV Network was hit badly but it speaks highly for the *buoyancy of other sub*sidiaries that the overall profit of the group was not more seriously impaired.

As stated on June 27, group profit came to £5.73m. (£7.27m.) after interest charges £1.99m. (£0.97m.) and levy payments £2.85m. (£4.19m.). The "A" Ordinary dividend is 3.9p (5.1257p) and the Ordinary 15.6p (20.5p). A divisional split of the profit is given in the table.

	1975 £000	1974 £000
Television	1,677	3,067
Films	337	339
Theatres	415	426
Records and tapes	2,003	1,399
Music publishing	1,652	1,362
Property	1,738	1,374
Telephone answering	464	884
Other activities loss	33	3
Finance, etc.	2,431	1,330

Meeting, 17, Great Cumberland Place, W. September 11 at noon.

هكذا من الاصل

مكتب الاعلام

Securicor holds first half profit at £1.27m.

IN THE six months ended March 28, 1975, profits of the Securicor Group, incorporating Security Services and Securicor, were virtually unchanged at £1.27m., against £1.33m.

Mr. Peter Smith, chairman, says growth of turnover in the U.K. and overseas has been maintained. The improvement, excluding the element due to price increases, is about 20 per cent. and reflects an increased demand for all services despite the recession.

The interim dividend is raised from 0.38917p to 0.361966p, and the directors propose a 1-for-2 scrip issue in "A" shares to Ordinary and "A" shareholders.

	First half 1975 £000	1974 £000
Turnover	28,198	21,944
Profit before tax	1,269	1,328
Finance	278	271
Security	990	1,057
Taxation	714	769
Net profit	554	559
Outside holders	226	228

Turnover of Security Securities, the 53 per cent. owned subsidiary, rose from £21.94m. to £28.03m. in the half year, and profits were £1.08m., against £1.15m. Finance accounted for £92,000 (same) and security for £0.99m. (£1.06m.).

After tax £0.61m. (£0.68m.) net profit was £468,000 (£473,000). The interim dividend is 0.814382p (0.763125p) and there is proposed a 1-for-2 scrip issue in "A" shares to Ordinary and "A" holders.

• comment

The 4½ per cent. fall in Securicor Group's half-year pre-tax profits—its first setback for at least a decade—disappointed the market yesterday, and the Group's "A" shares fell by 3p to 63p and the Services "A" by 7p to 63p, both to more than a third under their 1975 highs. After all, turnover is 28 per cent. up, with a rise of about a fifth in the underlying business, with more rapid growth from the special delivery side. The basic problems result from the fact that wage costs are about 70 per cent. of the total, and even when price rises can be obtained, the group has not been able to pass on increases immediately because of long-standing contracts. Amendments have been negotiated so this should be less of a problem now. The recession does not appear to have made a significant impact yet. But in the absence of a forecast there is little obvious attraction in a yield of 3¾ per cent. for the Group shares and 5¼ per cent. for Services, especially as there are no signs yet of a move to tidy up the capital structure.

Statement Page 12

Kingside Investment

Gross income of Kingside Investment Company fell from £144,253 to £130,747 in the first half of 1975 but after lower interest charges and expenses of £38,099 against £63,077 earnings after tax of £33,887 compared with £31,178 advanced from £48,998 to £58,761.

Earnings per 25p share are shown to have risen from 0.56p to 0.65p and the interim dividend is held at 0.35p. Last year's total was 1.75p from earnings after tax of £172,024.

Net asset value per share at June 30 was 51.2p (40.2p December 31, 1974).

The valuation of investments was £4.16m. (£2.25m.).

The company's 50 per cent. interest in Vavsa Investment Trust (South Africa) was sold on April 4 for a total consideration of R1.45m. most of which sum has since been repatriated. Negotiations have now been satisfactorily concluded under which terms the written down debt to the company of £434,877, included in the 1974 accounts, has been settled by the receipt of £441,250 in cash plus 400,000 J. H. Vavasseur Group Ordinary shares.

Midway fall at Gaskell (Bacup)

FROM TURNOVER of £2.39m. compared with £2.19m. taxable *profit of Gaskell & Co. (Bacup)* for the six months to June 30, 1975, dropped £67,860 to £139,223.

The interim dividend is held at 1.98p net. Last year's total was 4.653p from profits of £299,391.

	Six months 1975 £	1974 £
Turnover	2,390,382	2,190,762
Depreciation	41,371	36,041
Pre-tax profit	139,223	207,083
Tax	73,000	103,000
Net profit	66,223	104,083
Minority loss	803	1,300
Balance	67,026	105,383

The company manufactures and distributes carpet underlays, floorcoverings and other non-woven products.

New Court Natural Resources

New Court Natural Resources reports profits of £1,405,025 for the year to March 31, 1975, subject to tax of £747,281. This compares with £684,077 for the period from May 7, 1973, to March 31, 1974, before tax of £319,242.

The dividend for 1974/75 is 1.3p. Net asset value per share is given as 87.9p.

The chairman in his annual statement refers to the particularly difficult economic circumstances with which the company has been and continues to be faced. Such conditions, can, however offer excellent opportunities to investors, he tells members.

The company's substantial liquidity totalling some £7m. at the year end is a favourable factor in this regard, he points out.

Attock Oil capital reconstruction

Attock Oil, which owns concessions and rights over mineral oil lands in Pakistan, is planning a reconstruction of the company by the formation of a new holding company and has reached agreement in principle for the termination of the managing agency arrangement with Steel Brothers and Company.

The proposed capital reconstruction is to be implemented by a scheme of arrangement under Section 206 of the 1948 Companies Act. One objective of the proposal is to overcome the problems stemming from the market value of the company's shares staying persistently below their par value, a situation which inhibits the issue of new shares except with Court approval.

The new holding company to be formed under the Scheme *would* acquire all the shares of Attock in return for the issue of the same number of its own ordinary shares of lower nominal value, probably 30p.

Under the terms of the termination of the agency agreement with Steel Brothers it is proposed to allot Steel's 150,000 *ordinary shares in the new* holding company as compensation. This would take Steel's stake in Attock from 10.1 per cent. to 14.5 per cent. of the *equity. Steel's would also* be given the option to subscribe for a further 360,000 shares at 65p a share on December 31 between 1977 and 1980 inclusive.

Wellman to improve in first half

MR. A. C. N. HOPKINS, chairman of Wellman Engineering Corporation, foresees a first half advance over last year's midway taxable profit of £275,438 and says that providing results so warrant the directors will recommend a higher dividend for the current year. Last year's total was 1.799p net (1.692p).

He warns that the uncertain economic climate does not auger well for the current year as a whole and adds that it is impossible to forecast results for the full 12 months.

However, he states, overall the company has not yet felt any serious downturn in orders and its order book at the beginning of the year was "significantly" *higher than for the corresponding period.*

Pre-tax profit for the year to March 31, 1975, reported July 4, advanced 23.4 per cent. from £734,511 to £906,291. Group turnover improved from just under £10m. to over £13m. and the level of exports increased from 27 per cent. to 45 per cent.

Mr. Hopkins explains that although the company is seeking to expand further in the export field the current rate of inflation is making U.K. exports less competitive than those of overseas competitors.

The company is embarking upon an expansion ist programme of investment both at home and abroad, and negotiations are at an advanced stage to acquire a small private company in France whose activities are complemen*tary to those of Wellman Alloys*, where interchange of technical knowledge will enhance the prospects of both companies.

Slater Walker meeting adjourned

Slater, Walker Trust Management announce that yesterday's meeting of the certificate holders of Slater, Walker Provident Investors Trust convened for the purpose of passing a resolution *to extend the Trust Period* to March 1, 1977 has been adjourned due to a quorum not being present. The meeting has been adjourned to August 22, at 11.00 a.m. and will be held at 30, St. Paul's Churchyard, EC.

Proxies received in respect of 324,405 sub-units indicate a substantial *majority in favour of the* resolution.

Under the terms of the Trust Deed all dealings in sub-units will continue to be suspended until such time as the resolution extending the Trust Period has been passed.

Second half boosts Acrow to record £5.9m.

SECOND HALF profits of Acrow (Engineers) expanded from £2.04m. to £3.58m., pushing up the total from £3.79m. to a record £5.89m. for the year ended March 31, 1975.

Stated earnings per 25p share are up from 5.6p to 8.59p. The net dividend total is raised from 3.18p *to 3.683p, with a final of 1.938p.*

The directors state that Coles Cranes results reflect the "spectacular come back achieved by the new management through greatly improved labour relations and increased productivity."

The outlook for the year ahead for Acrow, is for another year of record export sales and earnings.

Exports for 1974-75 were up by 41.64 per cent. to £34,281,000.

Pretax profits include a charge of £96,855 for extraordinary items, *which in previous years have been* dealt with in reserves.

	1974-75 £	1973-74 £
Turnover	79,934,717	60,710,586
Profit	5,885,778	3,787,523
U.K. tax	98,855	1,406,002
Overseas tax	226,921	185,296
Deferred tax	3,199,757	477,522
Minorities	30,136	37,033
Net balance	2,334,095	1,592,750
Retained	1,307,733	785,834

See Lex

£81,377 at Aquis for six months

Aquis Securities reports taxable profits of £81,377 for the six months to June 30, 1975, basic earnings on *distributable* profits came to 0.27p and fully diluted earnings to 0.31p.

In the first 15 months of the previous 21 month period taxable profits were £279,348, basic earnings were 0.67p and fully diluted earnings were 0.76p.

The interim dividend is 0.223p net. Total for the 31 months was 0.953803p paid from profits of £423,197.

	6 mths 1975 £	15 mths 1973-74 £
Gross rental income	418,402	946,485
GB	382,383	831,178
Belgium	35,019	98,278
Rents receivable*	317,944	736,804
Hotel trading	123,022	854,202
Sale of buildings and land	—	230
Interest charges—net	138,019	344,151
Directors emoluments	20,248	36,690
Auditors remuneration	4,070	5,620
Amortisation of leases	15,232	32,436
Depreciation	13,830	36,425
Profit before tax	81,377	279,348
Tax	32,000	169,470
Minority interests	2,078	2,016
Transfer†	6,035	—
From reserves	13,232	32,420
Available	80,646	165,429
Dividend	34,331	123,573
Retained	12,113	42,854
Carried forward	351,130	396,538

* Including intercompany rents less property expenses. † To cover not interest charged on investment development.

The chairman, Mr. H. C. Quitman, says that as the bulk of income derives from property investment it is encouraging that gross rents from the U.K. portfolio will amount to some £725,000 during 1975, compared with £882,000 for the year 1974. The Belgian subsidiary turned in a profit for the first six months, and for the full year this should amount to approximately £20,000. In view of the many uncertainties it is not appropriate to attempt any forecast for the *future, he adds.*

Leicester Bldg. Society growth

Leicester Building Society—seventh largest with assets of more than £700m.—lent £77.2m. to home buyers in the first six months of 1975. This total is higher than that for the whole of 1974.

The number of advances for the first half of the current year totalled 10,460 as against 11,135 for the whole of 1974. About half the total number of home loans were to first-time buyers.

On the investment side, the society opened nearly 67,000 new savings accounts compared with 39,661 for the first half of 1974 and 95,896 for the whole of 1974.

The Leicester's net investment intake was £67.3m. for the first six months of this year compared with £22.2m. for the year 1974.

The society has stepped up its growth rate to an annual equivalent of 20 per cent. Assets of £716.2m. are 10 per cent. higher than at the end of last year and more than 20 per cent. ahead of the figure at the comparative 1974 half-way stage.

BOARD MEETINGS

The following companies have notified dates of Board meetings to The Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends considered are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims:—Brighton and Hove Stadium, Carrington Viyella, Compton Partners, Corah, General Accident Fire and Life Assurance Corporation, Liverpool Daily Post and Echo, Nottingham Manufacturing, Rea Bros., Bernard Wardle.

Finals:—G. Brady, Helical Bar, Hume Holdings, London Electrical and General Trust, Louis Newmark, Phoenix Timber.

FUTURE DATES

Interims:—

Anglovaal	Aug. 22
Barsons International Systems	Aug. 21
Carnell Dresses	Aug. 20
Early (C.) & Marriott (Witney)	Sept. 12
Guest Keen and Nettlefolds	Sept. 18
Kinloch (Provision Merchants)	Aug. 15
Lafarge Organisation	Sept. 16
Lex Service	Sept. 17
Minsentrate	Sept. 4
RKT Textiles	Aug. 22
Sharpe (W. N.)	Aug. 26
Squirrel Horn	Aug. 14
Steetley	Sept. 10
Wallis (F. J.)	Aug. 20
Westminster Property	Aug. 14

Finals:—

Country and District Properties	Aug. 26
Crouch Group	Aug. 20
Fyn Holdings	Aug. 19
Gelfer (A. and J.)	Aug. 20
Press Tools	Aug. 13
Reliance Knitwear	Aug. 15
Vibroplant	Aug. 19
West of England Trust	Aug. 26

Additions to Grovebell Board approved

Resolutions to elect four additional directors to the Board of Grovebell Group—whose *interests* cover motor distribution, property and caravans—were approved at an extraordinary meeting yesterday despite a strong plea by chairman Sir John Roxburgh that these and other resolutions be rejected.

The resolutions were approved on a poll vote, the meeting having taken place following a campaign for the charges by Sonesta Investment Company, a Guernsey-based concern, and another shareholder, Mr. Ronald Bray, a former MP.

Grovebell's share listing was recently suspended at its own request pending publication of reorganisation proposals. These *included the purchase of private* manufacturing concern.

However, according to Sir John at the end of yesterday's meeting, the Board had been informed that if there were any additions to the Board as a result of resolutions being passed, the negotiations in respect of the *private company* "would be terminated."

Sir John therefore suggested that Mr. V. J. Advani, a director of Sonesta, should consider delaying joining the *Grovebell Board or perhaps only joining himself until after, Sir John hoped, the successful conclusion of the negotiations.*

The first resolution at the meeting, which called for further information on Grovebell's affairs, was carried by a vote of 707,950 to 531,021. The second, for the election of Mr. Bray to the Board, was carried by 893,898 to 566,373; the third, for the election of Mr. Advani, by 688,998 to 570,473; the fourth, for the election of Mr. M. C. Gould, by 679,349 to 580,922; and the fifth, for the election of Mr. E. Woolf, by 679,989 to 580,282.

The sixth resolution, for the payment of Sonesta's expenses in requisitioning the extraordinary meeting, was carried by 673,174 to 586,287. The final resolution dealt with authorising the directors to continue negotiations to acquire the manufacturing company and this was carried by 1.25m. to 9,343.

Ilford's £4.27m. deficit

AFTER AN *exceptional debit* of £1.72m., Ilford, a subsidiary of Ciba-Geigy incurred a pre-tax loss of £4.27m. in 1974. This compares with a profit for 1973 of £2.13m. *struck after* an exceptional debit of £62,000.

There were profits of £0.56m. for the first six months against £1.39m. for the first eight months of 1973.

Sales for the year show an increase of 13.8 per cent. from £41.97m. to £47.8m.

U.K. sales increased by 0.4 per cent. to £10.5m. and overseas sales by 15.1 per cent. to £37.3m. Exports from the U.K. increased by 16.5 per cent. to £21.2m.

The directors say that though selling prices were raised in the light of the "massive increase in material and personnel costs experienced during the year," it was not practicable to recover the whole of the increase or to effect adequate compensatory savings during the period in respect of the balance.

The loss before tax is shown after providing depreciation of £1,705,000 (£1,649,000) and after making a contribution of £230,000 *(same) to the central research* costs of Ciba-Geigy in consideration of the benefit derived from its research and development organisation.

The loss on exceptional operating items was attributable to a provision for potential losses arising from the financial uncertainty of major customers, exchange adjustments in the opening reserves of an overseas subsidiary and in the book values of investments in overseas associate companies which were partially offset by a gain arising from the change in basis of stock valuation.

After a tax credit of £906,000 *(charge £1,475,000), minority* losses of £32,000 (profits £39,000) and extraordinary credits—nil (£2,891,000), the loss is £3,240,000 compared with a profit £3,310,000.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or —	Div. Amount	Times covered	Gross Yield	P/E Ratio
‡	F.P.	—	172	156	Alroyd & Smithers	155	......	u12.5	1.7	12.1	7.5
$105	F.P.	—	£77	£75	Brazilian Invs. S.A.	£75	......	—	—	—	—
55	F.P.	31/8	55	54	Lawrence (Walter)	54	......	b4.5	2.7	12.6	4.5

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price £	+ or —
‡	F.P.	31/8	93	89¾	Adwest Grp. 10½% Cnv. 95/2000	89	—1
$100	F.P.	—	101⅛	$99⅛	Barclays Bank Int 9½% Capital Notes 1982	101	+⅛
£100	£10	7/11	11⅛	10	Barnet Corp. 13¾% 1980	10⅛	+⅛
£100	£10	7/11	12¼	9¾	Do. Do. 14% '84/5	9¾	—⅛
£100	F.P.	—	100	98¼	CSR 9½% Notes 1980	101¾	......
‡£99	£10	12/9	10⅛	9½	Camb. Water 9% Red. Pref. 1980	9½	......
£100	£50	—	49½	46½	Ciba Geigy (G.F.S.) 8½% Guar. Ln. 1982/86	46½	—1⅛
£97½	£50	12/9	50⅜	49½	City of Westminster 13% Red. St. 1981	49½	—¼
£99	F.P.	—	100	98	Clayton Dewandre 10% Deb. 90/5	98	......
£98½	£10	5/12	11⅛	9¾	Derby Borough Council 13½% Stk. 1982	9¾	—⅛
‡£99	F.P.	29/8	100¼	99	East Surrey Water 9% Red. Pref. 1980	99	......
‡£100	F.P.	—	104	100⅛	English Properties 12% Conv. Ln. 2000/5	96	......
£100	F.P.	—	108¾	100	Enula Finance (U.K.) 9% Conv Gtd Uns Ln 86-90	102½	......
£99	F.P.	31/7	112	100¼	Folkstone Dist. Water 9% Red. Prf. 1980	100¼	......
£100	£50	23/10	56¼	52	Hoechst 10% Guar. Ln. 1990	56¼	+¾
‡£100	Nil	—	5½	½	Land Secs 10% Conv. 90/5	5 pm	+1
‡£100	F.P.	31/8	107½	97	Mitchell Cotts 13% Conv. Uns. 90/5	101	......
£99	£10	—	10¼	9	Newcastle & Gate 9% Red. Prf. 1980	9	......
£99	F.P.	31/7	112¼	100¼	N. Surrey Water 9% Red. Prf. 1980	100¼	......
‡£100	F.P.	—	105	87	Property Hldgs. & Inv. 9% Conv. '90/5	87	......
£99	F.P.	29/8	99¾	98½	Sunderland Water 9% Red. Pref. 1980	98½	......
‡	F.P.	—	90	77½	Turner Curzon 16% Conv. Uns. '78-80	85	......
‡	F.P.	29/8	101¾	98¼	Whitbread 11% Conv. 1995	98¾	+⅛

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date †	Latest Renunc. Date ‡	Stock	Closing Price p	+ or —
18½	F.P.	13/8	10/9	Adams Foods	18	—¾
110	F.P.	28/7	25/8	Anderson Strathclyde	108	......
25	F.P.	7/7	21/8	Barrow Hepburn	34	+1
46	F.P.	7/7	10/9	BOC Intl	43	+1½
90	Nil	—	—	B.T.R.	33 pm	+5½
115	F.P.	31/7	1/9	Bowater	143	+8
50p	F.P.	25/7	5/9	British Steam Specialties	51	......
30	F.P.	21/7	29/8	Century Oils	34	......
36	Nil	—	—	Clayton Dewandre	12pm	+1
45	F.P.	6/8	4/9	CompAir	50	+1
25	Nil	—	—	Crellon	1½pm	......
41	Nil	19/9	22/8	Crossley Building	1½pm	......
65	Nil	1/8	16/9	Davy Intl	6½pm	+2
72	F.P.	30/7	29/8	Dunbee-Combex-Marx	106	......
25	Nil	15/8	19/9	Empire Stores	37pm	+3
65	F.P.	4/7	21/8	Ever Ready	80	+2
10p	F.P.	4/8	5/9	Feedex	19	+1
25p	Nil	15/8	5/9	Hanson Tst	60½pm	+5½
10p	F.P.	29/7	3/9	Headlam Sims & Coggins	12	......
25	Nil	—	—	Howard Machinery	1½pm	+½
48	Nil	15/8	16/9	Law Land	1½pm	......
103	F.P.	30/7	15/8	Legal & General	110	+1
50	F.P.	18/7	21/8	London United Invs.	67	—1
25p	F.P.	23/7	20/8	Macfarlane Group	58	......
128	Nil	15/8	19/9	McCorquodale	18pm	+1
210	F.P.	1/8	29/8	Metal Box	212	+8
32	Nil	20/8	2/10	Morgan Edwards	5pm	......
105p	F.P.	21/7	29/8	Pegler Hattersley	110	+3
$A1.50	F.P.	—	—	Poseidon	195	+5
67	F.P.	24/7	19/8	Redland	73	+3
106	F.P.	11/8	5/9	Renold	103½	+1
78	Nil	—	—	Royal Worcester	5pm	+1
40p	Nil	23/9	26/8	Scottish & Newcastle Brewery	5½pm	+2½
10	F.P.	28/7	12/9	Senior Engineering	13½	—½
27½	F.P.	10/7	21/8	Serck	31½	......
80p	F.P.	25/7	12/9	Siebe Gorman	114	+3
95p	F.P.	23/7	6/9	Smiths Industries	94	+1
170	F.P.	8/8	3/10	Tate & Lyle	170	+2
50p	F.P.	21/7	16/8	Unicorn	51	......
53	Nil	15/8	12/9	Westland Aircraft	5¼pm	......
110	F.P.	6/8	29/8	Wheatsheaf Distribution & T.	121	+4

Renunciation date usually last day for dealing free of stamp duty. *a* Placing price to public. *b* Figures based on prospectus estimate. *d* Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. *u* Forecast dividend: cover based on previous year's earnings. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ‡ Offered to holders of Ordinary shares as a "rights." ♥ 280 S.Afr. cents. ‡ Rights by way of capitalisation. †† *Tender allotment price.* ♦ *Reintroduced.* ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. ‡ With warrants.

MINING NEWS

BH South awaits better times

BY KENNETH MARSTON

ANOTHER example of a mining operation which is persevering with hard times now in the expectation of a return to prosperity in the future is Australia's BH South. In this case the future prospects are largely bound up in the company's big phosphate rock potential at the Duchess deposit in Queensland.

This long-term project, which aims at an eventual annual production rate of 5m. tonnes of rock by about the end of this decade, made a modest start in mid-April and by June 28 it had produced a first 36,735 tonnes, BH South's final quarter report for the year to June 30 adds that construction work for a 1m. tonnes' annual production rate is going ahead.

Meanwhile, BH South is being hit by the impact of low copper prices and rising costs at its wholly-owned Cobar and 51 per cent-owned Kanmantoo mining operations. As a result, the group made a consolidated net loss of $1.4m. for the half-year to December 31. After taking into account extraordinary items arising out of the deal with Conzinc Riotinto of Australia, however, there was a consolidated net profit of $0.48m.

These special items will not be present in the current half-year and thus, unless there is a sharp recovery in copper prices, BH South is going to lose money. Meanwhile, the interim for the current year has been passed; a total of 13 cents was paid for 1973-74. The shares rose 5p to 153p yesterday.

	12 months to: 28/6/75	29/6/74
	(Tonnes)	
COBAR		
Crude ore treated	607,150	680,130
Copper concentrates	25,534	46,152
Copper	[illegible]	10,894
Zinc concentrates	13,028	12,950
Zinc	6,644	5,918
Lead concentrates	3,598	5,069
Lead	1,730	2,146
KANMANTOO		
Crude ore treated		
Copper concentrates	29,998	32,314
Copper	6,708	7,170
	Kgs	Kgs
Silver	1,318	1,595
Waste rock removed	5,343,398	4,248,495

ROUND-UP

Encouraging results from two American wells—10 more are planned—are announced by Unigas Oil Corporation in which a joint interest is held by Vultan Minerals and Ferrovanadium Corporation. A gas flow rate of 1.75m. cubic feet per day has been obtained from the Carlisle well in Harper County while the Baggerly well in Beaver County is producing gas at the rate of 447,000 cubic feet per day.

* * *

Canada's Noranda Mines has informed the Wisconsin Department of Natural Resources that it may open a copper and zinc mine near Rhinelander. The start of operations will depend on Government and agency approvals and it may be five to seven years before production is reached.

* * *

Terms of the $0.15m. loan—repayable after 13½ months—obtained by Australia's Geometals for its Nannine gold prospect from the U.K. Euro Pacific Mining Investments include the provision that the latter will subscribe the 15 per cent. loan interest to an issue of Geometals shares. It also has an option to convert part of its loan into shares but issues of the latter are restricted to 9.9 per cent. of the Geometals capital in any year and cannot be made if Euro Pacific's holding exceeds 30 per cent. or if identifiable overseas holdings exceed 40 per cent.

Sungei Besi faces two lean years

ON PRESENT estimates the life of Sungei Besi's tin mining operations is put at five or six years. And the chairman, Mr. J. G. Richardson, reiterates his earlier warning that profits cannot be expected for the next two years and therefore no dividends will be payable then. The hope is that thereafter Sungei Besi will get back to profitability for the rest of its mining life, which, of course, could turn out to be longer than the present estimate.

The trouble has been that this property is notorious for its erratic tin values and despite a careful analysis of drilling results the new No. 3/5 opencast is turning out to have much lower ore reserves than was expected.

The resultant re-planning of Sungei Besi's overall operations means that an outflow of cash from reserves over the next two years will be needed in order to bring forward the development and profitability of other sections of the mining area. At the same time the company must live with rising costs, that for power alone having increased by 66 per cent. in June.

Shareholders thus have to balance the prospect of no income for the next two years against one of a return in the following three or four years which could be quite substantial if current expectations of a coming big demand for metals are borne out. Against this background, the current price of the 60p could be vulnerable even though Sungei Besi showed its capability of earning 20.86p per share in the record year to last March.

GOLDEX MINE TO CLOSE DOWN

Recent reports that Canada's Goldex Mines was running into ore grade problems at its gold property in the Val d'Or area of Quebec are confirmed in a special progress report. This says that the mine will be placed on a care and maintenance basis at the end of this month pending the availability of custom milling facilities and the results of a planned additional test shipment of ore.

Goldex points out that gold recovery from a bulk test of 7,998 tons of ore carried out the Malartic Gold Fields (Quebec) facilities amounted to only 325.7 ounces gold "which was substantially below expectations." There has been a so far unexplained discrepancy between muck sample grades taken prior to shipment of ore and the grades obtained from samples at the plant.

A further test shipment is to be made, but at present "it is difficult to project both the economic viability of the presently indicated ore grade and the continuity of mining."

MINING BRIEFS

WHEAL JANE—July production of Tin metal contained in concentrates 79 tonnes (June 92 tonnes). Mill operated for 27 days during July.

EX-LANDS—June output of Tin concentrates 40 tonnes (July 40 tonnes)

BIDS AND DEALS

Panel rules on Scotia minority

THE TAKEOVER Panel has ruled that if a bid for minority shares in Scotia Investments, the gaming and leisure group, is not made by Alco Metropolitan Properties—a private concern owned by one former and three existing Scotia directors—the 2.53m. shares bought by Alco from the Receiver of Triumph Investment Trust in March must be sold to another party.

The purchase by Alco of the shares raised its holding in Scotia to just over 60 per cent. and thus triggered a bid requirement under the Takeover Code. However, it was subsequently discovered that a general offer for Scotia shares would in turn make it necessary for Scotia's 8½ per cent. convertible unsecured loan stock 1980-85 to be repaid at par and the Scotia directors consequently sought approval from the Takeover Panel for the bid requirement to be waived.

Now, according to a letter to holders of the stock from the Scotia Board, the Panel has ruled that part of the Alco holding should be sold if there is no bid. The Scotia directors who are independent of Alco also say that the company would not be in a position to repay the stock.

At the same time, the directors believe it is in Scotia's interests for the provision for repayment of the loan stock in the event of a bid to be removed and this it is proposed to do with the stockholders being compensated by an increased interest coupon of 12½ per cent., with the stock being repayable at par by nine instalments of £40,000 each on November 30 in the years 1976-84 and the balance on November 30, 1985.

This would enable Alco to proceed with a 17p a share bid without triggering the repayment requirement on the loan stock. It appears that the loan stock proposal has a good chance of being agreed. In all, there are some 18 stockholders—two of which, the ICI Pension Fund and the Electricity Supply Industry pension fund, hold between them some 43½ per cent. of the stock. Holders of the stock meet on September 4 to consider the proposal. If they reject the proposal, Alco would sell the Scotia shares in line with the Panel ruling and thus not make an offer.

Hume sells Hothlyn stake for A$3.75m.

Hume Holdings announces that it has reached agreement to sell, subject to contract, all of its holding of 5,095,913 "A" and 732,428 "B" shares amounting to 46.9 per cent. of the equity in Hothlyn Corporation its Australian Associate Company, to a private Australian buyer.

The cash consideration for the sale is 55 cents per share payable in Australian currency on August 30, and in aggregate amounts to $A3,755,588—(exclusive of the investment currency premium). The middle market quotation of both the Hothlyn "A" and "B" shares at the close of business in Melbourne on August 12 was 45 cents.

Bank of England Exchange Control approval has been obtained for this sale and it is understood that approximately 75 per cent. of the Australian Dollar proceeds due to Hume will be eligible for sale as investment currency with the benefit of the premium (subject to the usual 25 per cent. surrender rate).

The estimated net asset value per Hothlyn share at June 30, 1975 was about 69 cents per share.

For the year ending June 30, 1975 the net revenue after tax attributable to Hume's equity in Hothlyn Corporation amounted to some £160,974.

This sale shows a surplus over the book cost to Hume of some £1,175,000 (inclusive of the allowable amount of investment currency premium).

Hume has disposed of this holding in the background of extremely unsettled stock and share and property investment markets in Australia and proposes to reinvest the proceeds elsewhere in due course with greater flexibility and with a view to obtaining a higher return.

It has been agreed by the purchasers of Hume's shares that a similar cash offer will be made to all the other shareholders in Hothlyn Corporation within 90 days.

Vantona forecasts £3.3m. profit

IN THE LATEST round in respect of the Spirella Group's bid for Vantona—which has resulted in a Boardroom split at Vantona with some directors for and others against—Mr. Hebert Pilkington, Vantona's chairman, has written to shareholders urging them to reject the bid and forecasting pre-tax profits for the year to March 27, 1976, up from £2.4m. to £3.3m. In 1973-74, pre-tax earnings were £3.6m.

The forecast is backed by all directors — including Mr. J. A. Morris who is for the offer—with the exception of Dr. J. A. Blackburn for the bid who "does not wish to associate himself with any forecast in the current economic climate."

Mr. Pilkington also forecasts dividends increased from 4.96p per share gross to 7.44p and says that the Board intends, in the absence of unforeseen circumstances, that this level be at least maintained in future years.

Other points brought out by Mr. Pilkington are that, with a property revaluation as at August 4, 1975, throwing up a surplus of £1.1m. over the book value of £3m., the fully diluted net tangible assets per share are 78p and that, based on profit forecasts of Vantona and Spirella, the contribution by Vantona to a combined group next year would be far greater than that claimed by Spirella in its offer document.

Mr. Pilkington criticises the form and content of Spirella's offer and ends by saying that the Board—apart from Mr. Morris and Dr. Blackburn—strongly advises shareholders to take no action with regard to the offer—"a takeover attempt despite Spirella's 'merger' claims," he says. Board members owning 14.6 per cent. intend not to accept.

The documents also disclose that Mr. Pilkington and Mr. C. B. Rothera have service contracts expiring on October 31, 1979, at £21,000 a year, to be adjusted according to the Retail Price Indices, and that Dr. Blackburn has a similar contract at £38,250 a year.

See Lex

HEWDEN-STUART —A GUNN

Hewden-Stuart Plant's offer for the Ordinary shares of A. Gunn (Holdings) has been accepted by shareholders holding in aggregate 3,688,341 Ordinary shares of Gunn.

Prior to the issue of the merger document Hewden already owned 84,000 Ordinary shares of Gunn and during the offer period they acquired a further 27,500 shares, making a total of 111,500 shares. This figure, together with the acceptances mentioned above means that Hewden is now the beneficial owner of 3,799,841 Ordinary shares of Gunn—approximately 69 per cent. of the capital.

The offer has been declared unconditional and will remain open for a further 21 days and will close on September 1 and will not be extended.

The subscription warrant cash offer, which was also contained in the merger document, has been accepted by holders of 237,776 subscription warrants 1972-75 of Gunn (about 89 per cent.). The subscription warrant cash offer closed on Monday.

Now the share offer has become unconditional, Mr. J. Gunn and Mr. M. Gunn have joined the Board of Hewden and Mr. J. Gunn appointed deputy chairman. Mr. F. Jamieson, Mr. M. D. Goodwin and Mr. J. A. Myers have been appointed to the Board of Gunn.

HARVEY HUBBELL SELLS DIVISION

Harvey Hubbell has reached agreement for the sale of the Systems Division of Watford Electric Company, located in Watford and Telford, to a company which will be known as Whippendell Electrical Manufacturing Company (Watford), effective July 1, last.

The Standards Division of Watford Electric at Kempston and Higham Ferrers, remains as a part of the Harvey Hubbell Group.

Whippendell plans to continue developing and manufacturing custom-built control gear to meet customers' individual requirements.

EVERED CALLS OFF FRANCIS DEAL

Following the announcement that Evered and Company's proposed merger with Charles Clifford will not proceed, the agreement to sell the CD's industrial products division to Francis Industries has also been terminated.

This division which contributed significantly to the company's declining profit record is now the subject of a detailed review by the enlarged Board and a further report will accompany the interim statement.

Mr. L. F. Vyse, Mr. R. J. C. James and Mr. N. R. Gillett have been appointed to the Board since the merger withdrawal.

QUALITY CLEANERS —SKETCHLEY

Documents containing the agreed offer by Sketchley for Quality Cleaners have now been sent out. The offer closes September 1.

LEGAL NOTICES

No. 002843 of 1975

In the HIGH COURT of JUSTICE Chancery Division Companies Court In the Matter of RAVENSBOURNE CHECKMATE CO. LIMITED and in the Matter of The Companies Act 1948.

Notice is hereby given that a PETITION for the WINDING UP of the above-named Company by the High Court of Justice was on the 6th day of August 1975 presented to the said Court by Midland Bank Limited of Poultry in the City of London, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, W.C.2, on the 13th day of October 1975, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

COULSON & COULSON, 262 Kirkdale, Sydenham, London, SE26 4RT, Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named, notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any), and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 10th day of October 1975.

CONTRACTS AND TENDERS

THE CHAIRMAN

MALTA ELECTRICITY BOARD

Invites offers up to 9th September 1975 for the supply of one or two reconditioned second hand turbo-alternator plants with capacity within the range of 30-60 megawatts 3 phase 50 hz suitable for operation on steam at 600 psig and 850 per cent F. The plants are to be complete with all auxiliaries and be in a good state and condition to give reliable performance in power station service.

Tender documents giving technical requirements of the plants are available from the Malta High Commission in London, Malta House, 24 Haymarket, London SW1Y 4DJ or from the Secretary, Malta Electricity Board, Church Wharf, Marsa. PO Box 6 Hamrun, Malta.

Telephone No: Malta 23601, London 930 9851

Malta Telex: 62089 62099 62142 61231

Cable Address: Electricity Malta

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INTERNATIONAL COMPANY NEWS + EURO MARKETS

Outlook for Estel considered bleak

BY MICHAEL VAN OS

AMSTERDAM, Aug. 12.

IN COMMON with the other large steel producers, Estel, the Dutch-German steel combine, has been hit very hard by the world-wide recession this year and the prospects for a recovery are considered very bleak indeed.

According to the financial statement covering the second quarter, which was released in Nijmegan to-day, the quarter was concluded with a loss of Fls.50.2m. The company added in a written comment that on the basis of the current order portfolio position and the adverse market situation, results in the third quarter will "certainly not *show an improvement from the* second quarter."

Estel is now certain to end the year with a fairly sizeable loss overall after seeing its profits nearly double to Fls.322.9m. in 1974. It stated at the end of last month, after the announcement of a successful Fls.125m. debenture loan, that the recovery prospects for next year were considered "slight."

The company's second quarter loss compares with a profit of Fls.27.7m. *In the previous* quarter and with profits totalling Fls.87.6m. in the corresponding three months last year. The first-half loss is Fls.22.5m. compared with a Fls.163.1m. profit in the same 1974 half. Estel's second quarter sales fell to Fls.2.16bn. from Fls.2.35bn. in the previous quarter and from Fls.2.55bn. in the second quarter of last year. The six-months sales figure was down to Fls.4.51bn. from nearly Fls.4.89bn. in the same period last year.

To-day's statement said, that *business in the "steel" sector* both in Dortmund and in Ijmuiden had reached an unprecedented low both as far as quantitative sales and as far as the ratio between costs and revenue prices was concerned. For most steel products "most or less considerable losses had to be accepted," Estel said. Crude steel *production* declined in the second quarter to less than 80 per cent. of the level reached in 1974.

Results in the sectors "steel processing" and "trading" had been "positive," however, the *statement added. In the sector* "diversification," particularly in the building and aluminium business activities, several of Estel's subsidiaries were suffering from the generally adverse economic situation.

The company, which was formed in 1972 after the merger between Holland's sole steel producer Hoogovens in Ijmuiden *and Germany's Hoesch, said that* the combined staff had been reduced by 1,300 men from the end of last year through the natural wastage process, overtime working had been almost completely abolished and short-time working had been introduced in several subsidiaries.

The financial statement said that the operating result—sales minus depreciation and other costs—showed a Fls.166.6m. loss in the second quarter which compares with Fls.180.8m. profit in the second 1974 quarter. This resulted in a first-half operating loss of Fls.54.6m. (Fls.355.5m. *profit*).

After taking interest charges and special income into account, Estel's pre-tax second quarter loss was Fls.108.2m. compared with a Fls.36.7m. profit in the previous quarter and a Fls.158.1m. pre-tax profit in the second quarter last year. The half-year pre-tax loss was Fls.71.5m. compared with a *Fls.288.5m.* profit in the comparable half in 1974.

Illustrative for Estel's extra-*ordinary turn of fortune this* year is the operating result expressed in a percentage of *sales which had recovered well* to 7.1 per cent. in the second quarter of last year. It amounted to minus 5.4 per cent. in the second quarter this year and was 2.6 per cent. plus in the preceding quarter. The percentage is minus 1.2 per cent. in the first six months against plus 7.3 per cent. in January-June, 1974.

The Dutch-German company's combined pig iron output amounted to 1.84m. tons in the second quarter, compared with *2.2m. tons in the previous quarter* and 3.3m. tons in the second quarter last year. The first-half output was down to 4.1m. tons (4.8m. tons). For raw steel, the production figures were, respectively, 2.4m. tons, 2.9m. tons and 2.9m. *tons* and 5.2m. tons (6.1m. tons) for the half year.

For rolled steel products (non-solidated) the figures were 1.8m. tons, 2.1m. tons, 2.5m. tons, while the half-year production was down sharply to nearly 4m. tons *(5.1m. tons).*

German Woolworth expecting 'disappointing' sales growth

BY GUY HAWTIN

FRANKFURT, August 12.

F. W. Woolworth, the West German *subsidiary of the* well-known multinational, is expecting turnover growth in the current 1975-76 business year to be "disappointing." However, it is *hoping for an improvement in* trade in the second half, particularly *around Christmas time.*

The company, which operates predominantly in the lower-priced goods sector, blames the situation on a general drop in consumer demand. High unemployment rates and the decline in *the number of guest workers,* who form a sizeable slice of Woolworth's customers here, are adversely affecting trade according to its annual statement.

During the current year the company plans to open four *major and* five smaller sales outlets; it should end the year with a total of 183 branches in the Federal Republic. To finance this investment, the parent concern is raising the company's nominal capital by *more* than DM30m to DM223m. The *nominal* capital was also increased by DM8m. last year.

In the 1974-75 business year, Woolworth's turnover in the Federal Republic rose by 10.1 per cent. from DM1.09bn. the *previous* year *to DM1.2bn.*

Growth was down on the 1973-74 12.5 *per cent. although the 1974-75* increase in sales space slowed from the previous year's 7 per cent. to 3.4 per cent.

Turnover per square metre of *sales* space went up *from* DM5.265 to DM5.610. Net profits rose from DM63.5m. in 1973-74 to DM72.4m.

Neckermann forecasting above average growth

BY GUY HAWTIN

FRANKFURT, August 12.

NECKERMANN, the major West German mail order and store group, is forecasting a year of *above average growth for 1975.* This is more than welcome, in view of the poor 1974 figures when the group showed "neither plus or minus growth."

In the first half of the current year turnover went up by a satisfying 15 per cent. In the 1974 business year turnover went up by less than 5 per cent. from 1973's DM2.81bn. to DM2.9bn.

One of the reasons for last year's poor performance was the group's activities in the building industry. The prefabricated housing division, in common with other sectors of the con-*struction field,* showed a 13 per cent. downturn in demand. Turnover fell from DM395.6m. in 1973 to DM344m.

However, the group reports that it believes the trough of the decline in the private homes market has been reached. It is expecting a market for over 3,000 completed homes in 1975 compared with the somewhat less than 3,000 completed last year.

The Neckermann travel business is anticipating a very substantial increase in trade. Holidays, it maintains, are not usually affected by consumers' increased *savings measures. It is forecasting* a 20 per cent. increase in travellers, generating a turnover of about DM700m.

Setback at Freudenberg reflects overseas decline

BY GUY HAWTIN

FRANKFURT, August 12.

ONE OF West Germany's leading *leather* and artificial leather manufacturers has reported a heavy fall in turnover in the first half of the year. An underlying cause of the drop was the decline in its competitiveness in overseas markets, it said.

According to the annual report of Carl Freudenberg (Weinheim), the nucleus of the Freudenberg group, turnover in the first six months of 1975 was off a full 14 per cent. compared with the same period of the *previous year.*

Overseas turnover had been particularly hard hit. As a result the concern's overseas sales as a proportion of total turnover had fallen from 40 per cent. in the first half of 1974 to *34 per cent. in the comparable* period of the current year.

Freudenberg, however, pointed out that turnover in the first half of 1974 had been driven upwards partly as a result of customers' stockpiling efforts in the *face of shortage of* raw materials and price increases.

The sharpest fall in turnover was registered in deliveries to the shoe making industry. Shrinking demand had been reflected in the introduction of short-time working in certain branches of the concern and the workforce had been trimmed to *about 11,000. Orders in hand,* however, mean that the jobs of the current workforce are generally secure.

Current investment is aimed at rationalisation and improvement *of handling. It is hoped that, as* a result of these measures, the year will see reasonably satis-*factory* profits despite the fall in turnover (consolidated group turnover in 1974 totalled DM1.52bn. the year before). DM1.64bn. after.

As for the Carl Freudenberg 1974 figures, turnover showed a *small 2.6 per cent. increase from* 1973's DM848.4m. to DM870.8m. while exports as a proportion of turnover fell from 40 per cent. to 38 per cent.

Klein overseas demand

BY OUR FRANKFURT STAFF

August 12.

THE WEST German pump and valve manufacturer, Klein, Schanzlin and Becker reports that increased overseas demand has pushed orders up 12 per cent. in the first half of the business year. They rose from DM363.1m. in the first half of 1974 to DM404.4m. At the same time the export share of this *specialised manufacturers'* products has grown to 52 per cent. compared with 45 per cent. in the first half of last year. The order book is now worth DM500m.—up 13 per cent. on the previous year.

The rise in new orders *has* come solely from outside the home market, the company *states, while domestic* demand has, in real terms, shown a decline due to price increases. Important foreign orders include a large irrigation system for Mexico and a water supply installation in the Middle East.

At home, supply of equipment for the construction industry has *fallen with the steep decline* in new building; workers involved in this sector (about 5 per cent.) are *currently on short time.*

Turnover for the period to June 30, 1975 is up by 21 per cent. to DM333.3m. over the first half of the previous year, and the company anticipates that by the year end sales should be about 15 per cent. ahead over 1974. So far the company has not stated profit anticipations for the current year.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Amax 8½pc 1986	99	100
Ashland 8pc 1987	89	90
Austrawiss 8pc 1987	89	90
BFCE 9pc 1980	98	99
Borregaard 8½pc 1989	92	93
Carrier 8pc 1987	89½	89¾
Conoco 8pc 1986	95¼	96¼
Consol Foods 7½pc 1991	94	95
Cutler Hammer 9pc 1987	90½	91½
EIB 9½pc 1985	99¼	100¼
Esso 8pc 1986 Nov.	98	99
General Cable 8¼pc 1987	88	89
General Motors 8¾pc 1986	101¼	102¼
GTE 8½pc 1986	97	98
ICI 7½pc 1993	78	80
Nat. Grindlays 7½pc 1987	77	79
Pacific Light 9pc 1993	89½	[illegible]
Prov. of Quebec 7½pc 1988	86	87
Quebec Hydro 8½pc 1989	95	96
Queensland 8½pc 1987	97	98
Scanraff 8½pc 1988	96	97
Shell 8pc 1986	97	98
Standard Oil (Inc.) 8½pc '88	99	100
Tenneco 7½pc 1987	87	89
Transocean 8pc 1986	97½	98
TRW 8½pc 1986	97	98
Utah 8pc 1987	89	90
Volvo 9½pc 1985	99	100

NOTES	Bid	Offer
Air France 9¾pc 1982	100½	101½
Australia Ind. Dev. Co. 10½pc 1981	102	103
Barclays 7¾pc 1978	96½	97½
Cie Natl. du Rhone 10pc 1982	102	103
Du Pont 7½pc 1978	100	101
Esso 7½pc 1978	99	100
General Motors 8½pc 1978	100½	101½
Marubeni 9½pc 1982	98½	99½
Nippon Fudosan 10½pc 1981	101	102
Skandinaviska Enskilda 10½pc 1981	102½	103½
Tenneco 7½pc 1979	97	98
Tokyo Curacao 10½pc 1981	101	102

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	85	87
Ashland 5pc 1988	75½	77½
Beatrice Foods 4¼pc 1992	90	92
Beatrice Foods 4⅝pc 1992	91	93
Borden 5pc 1992	87	89
Broadway Hale 4½pc 1987	71	75
Canon Camera 7¼pc 1989	86½	88½
Carnation 4pc 1987	84	86
Chevron 5pc 1988	96	98
Dart 4½pc 1987	83	85
Eastman Kodak 4½pc 1988	111	113
Economic Labs. 4½pc 1987	82	84
[illegible] 7½pc 1989	89	91
Ford 6pc 1986	86	87
Ford 5pc 1988	73	75
Fuji 6½pc 1985	103 bid	
General Electric 4¼pc 1987	83	85
Gillette 4¾pc 1987	73	75
Gould 5pc 1987	78	80
Halliburton 4¼pc 1987	123	125
Harris 5pc 1992	65	67
Hitachi 6½pc 1984	100 bid	
Honeywell 6pc 1986	76	78
ITT 4½pc 1987	66½	68½
Komatsu 7½pc 1990	102	104
J. Ray McDermott 4¾pc '87	136	138
Mitsui 8½pc 1989	175 bid	
J. P. Morgan 4¼pc 1987	110	112
Motorola 4½pc 1983	113	120
Owens Illinois 4½pc 1987	87	89
J. C. Penney 4½pc 1987	77	79
Pioneer 6pc 1989	128	133
Rand Selection 6pc 1988	98	100
Rank 4½pc 1993	39	41
Revlon 4¼pc 1987	94	96
Sperry Rand 4¼pc 1987	93	95
Squibb 4½pc 1987	82½	84½
Toshiba 6½pc 1990	100½	101½
Union Carbide 4½pc 1982	104	106
Warner Lambert 4½pc 1987	88	90
Warner Lambert 4¼pc 1988	77	79
Xerox 5pc 1988	72	74

Source: Kidder, Peabody Securities.

Le Nickel sales decline

By Robert Mauthner

PARIS, August 12.

SOCIÉTÉ Metallurgique Le Nickel has chalked up net after tax sales of Frs.591.9m. in the first six months of 1975, compared with Frs.615.5m. during the same period in 1974. The drop in sales volume was partially compensated for by increases in the basic price of nickel in September and December, 1974. In the meantime, however, the dollar suffered sharp falls on the exchange markets of more than 10 per cent. and this largely explains the drop in year-on-year turnover; since the price of nickel is expressed in dollars.

Baron Guy de Rothschild, chairman of the Imetal holding company, said at the annual meeting in June that in spite of continued heavy losses by SLN. Imetal should be able to pay a dividend this year.

He said that the surplus which the company hopes to carry over from 1974 should ensure the maintenance of its dividend. The dividends of the Penarroya and Mokta subsidiaries are now expected to give Imetal an income of Frs.11m. and Frs.6.5m. respectively in financial 1975.

Possible $200m. loan scheduled for Egypt

By Mary Campbell

EGYPT may raise a $200m. loan in the not too distant future, Euromarket bankers suggest. *Details at this stage are still* unclear and the Egyptians are known to have turned down loan offers before. However, a major financing is thought likely in the market in view of the country's serious balance of payments situation.

* * *

Transamerica Financial's Canadian dollar Eurobond issue has been postponed. The issue was originally planned to be Can$15m. for six years on a *coupon of 9¾ per cent.* Lead manager Merrill Lynch said yesterday that the postponement was due to a general deterioration in bond market conditions not only in Europe but also in New York, with the expectation *of higher American interest rates* a major unsettling factor.

* * *

The first ever Eurocurrency loan for the Hong Kong government has now been arranged. It will be for the dollar equivalent *of £1.5m.* and will be provided by Lloyds Bank International. The proceeds will be used to purchase new coinage from the Royal Mint.

The arrangement of this loan follows authorisation by the Hong Kong Legislative Board for the Hong Kong authorities to borrow overseas to cover the Budget deficit.

The authorisation is for the equivalent of £6.5m. LBI said yesterday that this loan was part *of a larger fund raising project* it is discussing with the Hong Kong government.

Results from Atlantic International

Financial Times Reporter

ATLANTIC International, the London based consortium bank in which Charterhouse Japhet has a 16.66 per cent. stake, reports *profits before tax of £229,000* during the year ended June 30. The profit figure is reached after a loan loss provision of £247,000 and interest of £255,000 on subordinated debentures.

The annual statement notes *that Atlantic International's* loan portfolio has remained steady at £39m. A contingency reserve against possible losses on Real Estate Investment Trust loans, which represent less than 5 per cent. of the overall portfolio, has *also been established.*

Overall balance sheet assets of the bank fell from £72m. to £69m. during the year to June 1975.

Good results reported by UBS funds

By John Wicks

ZURICH, August 12.

GENERALLY favourable results are recorded for the year ended June 30 by the four investment funds Fonsa, Globinvest, Itac and Pacific-Invest, all administered by the Intrag affiliate of the Union Bank of Switzerland. At a time when weak stock markets and the sharp rise in the Swiss Franc led to stagnation or falling dividends on the part of many Swiss-based funds, the Intrag funds repeated or improved their dividend rates.

The income situation of the Fonsa fund for Swiss shares remained good, with earnings from dividends and bond and bank interest at the previous year's level; the certificate quotation rose rapidly from the start of 1975 to Sw.Frs.85.50 at the *end of the business period: total* dividend is unaltered at Sw.Frs. 5.20. A rise in dividend and interest earnings made it possible for the annual dividend of Globinvest, an international securities fund, to be raised from Sw.Frs.1.60 to Sw.Frs.2 per certificate, while the Italian share fund, Itac, is putting its dividend *up sharply to Sw.Frs. 4.60 (3.50)* from a marked rise in income in the face of the weak lira. In terms of Swiss Francs, income of Pacific-Invest (securities in the Pacific area) fell slightly though the fund benefited from the good recovery of the Japanese and Hong Kong stock markets in the second half of the 1974/75 period—the dividend is unchanged at Sw.Frs.2.50.

Dai-Ichi Kangyo puts advisers into Isuzu Motors

TOKYO, August 12.

DAI-ICHI Kangyo Bank said that it has sent three officials to Isuzu Motors to advise the company's sales promotion department.

Dai-Ichi Kangyo is the chief lender to Isuzu, which is owned 34.2 per cent. by General Motors of the U.S.

Isuzu recently reported a Y4.49bn. net deficit for the six months ended April against a Y1.07bn. profit a year earlier. The company blamed sluggish *sales of its generally more profitable* large-size trucks and increased unit costs stemming from production cuts designed to reduce inventories.

Officials said that the company expects to just about break even on a net basis in the six months ending in October.

Isuzu, which specialises in commercial vehicles, is suffering from a pronounced downturn in corporate investment in new plant and equipment in Japan. In addition, its passenger car division has not been a major participant in Japan's sales upturn in this sector. The division is expected to begin shipments of a sub-compact to GM's Buick division later this year, however.

The dispatch of bank officials to manufacturing companies in Japan generally signals concern about the business conditions of the *company in question.* If liquidity is the main concern, however, the bank representatives are generally sent to the company's finance department rather than to the sales department, as is the case with Isuzu at present.

AP-DJ

Japanese shipping company seeks funds

TOKYO, August 12.

TERUKUNI KAIUN, a Japanese shipping company, is asking semi-official Japanese banks and Government agencies for assistance in raising the funds needed to cancel its charter contracts with 14 overseas shipowners, a company spokesman said.

Senior executive Masao Kaneko said the company *is in* serious financial trouble, with cumulative deficits reaching Yen 6bn.

Cancellation of tanker charter contracts with foreign owners in Norway, Britain, the U.S. and elsewhere is believed to be the only way out of the crisis, he said.

If the company can get the requested financial aid, it will be able to start talks with the shipowners on cancellation.

Arab blacklist escapees to avoid publicity

BY OUR FOREIGN STAFF

NAMES OF companies expunged from the blacklist of the Arab boycott of Israel will no longer be publicised to save them from counter-action and embarrassment.

This move—taken in response to Israeli moves to retaliate against companies submitting to Arab pressure—was announced yesterday by Mr. Mohammed Ahmed Mahgoub, Commissioner-General of the Arab Boycott of Israel Office, in an interview with the Daily Star. It also coincides with renewed Israeli demands in the negotiations for a second disengagement agreement in Sinai for Egypt to relax economic sanctions against the Jewish State (see Page 6).

There was no indication whether the timing of Mr. Mahgoub's statement was related to the re-emergence of what is an old Israeli demand in the context of the U.S. peace initiative. *However, he announced that the* boycott conference scheduled to take place in Cairo on August 23 would adopt measures to tighten sanctions against companies investing in Israel, to close loopholes and to counter any counter-*measures by the Jewish State.*

Also on the agenda would be a review of the recent economic agreement between Israel and the EEC designed to block the flow of any Israeli-made goods to Arab markets through Western Europe.

Mr. Mahgoub said that the agenda included the position of 100 foreign companies, most of which had presented documents to prove that they had severed all relations with Israel. There is also a small number of companies which are candidates to join the blacklist for dealing with Israel, he added.

"A company is blacklisted only after conclusive evidence is *gathered about its relations with* Israel," Mr. Mahgoub said.

"The manner of collecting in-*formation should remain secret* but I can assure the foreign companies that every precaution is taken to avoid mistakes. No company is blacklisted until it is faced with the evidence and asked to defend itself or sever *its ties with Israel.*

"Documents presented by companies already blacklisted are checked and double-checked to verify authenticity before they are removed from the blacklist," he went on.

Company Results

Macmillan Bloedel pessimism

● Macmillan Bloedel has announced first half earnings per share of 94 cents ($Can2.37) or 92 cents ($Can2.31) diluted. Net income was $Can19.87m. ($Can50.22m.) from reserves of $Can718.9m. ($Can720.9m.).

The company said that because *of depressed earnings and production* losses from the effects of strikes, directors had voted to omit the quarterly dividend nor-*mally payable on September 15.* It paid a 15 cent dividend in June.

Macmillan added that transportation losses in the first half "could impair significantly the profitability" of the company in the second half.

Demand is likely to fall off both with respect to newsprint and pulp as currently very high inventories in the hands of both *manufacturers and customers are* reduced to normal levels, chairman George B. Currie said.

Directors voted to omit *Macmillan's quarterly dividend* payment in September in view of first half earnings reported today at $Can19.9m. compared to $Can50.2m. last year.

● Jardine Securities reports a net revenue of $HK24.4m. (no comparison) for the year to June 30, 1975. The final dividend is 22 cents per share (same) giving a total for the year of 30 cents (same).

The books will be closed from September 30 to October 14 inclusive and the dividend is payable on October 24.

The net asset value of the company at June 30 was $HK645m. or *$HK8.46 per share.*

The company is a member of the Jardine Matheson group.

● Canadian Pacific's net income *was $Can.67.5m. ($Can.88.8m.) for* the six months to June 30, 1975. Earnings per share on the net income were $Can.0.92 ($Can. 1.19). The Board states that comparing the remainder of the year with the same period for 1974, the outlook is for increases in income for Canadian Pacific investments at much the same pace as in the first half. Earnings of the transporation group will continue to decline, although not as sharply as in the first six months.

● La Telemecanique Electrique *first half net turnover rose to* Frs.544m. (537m.).

The directors propose to make a one-for-five bonus issue to shareholders. An interim dividend of 3.5 cents per share (3 cents) is to be paid. The directors expect to maintain an annual dividend rate of 7 cents per share (14 per cent.) on the increased capital.

● Data 100 reported a 32 per cent. increase in earnings on a 41 per cent. increase in revenues for the second quarter ended June 30 compared with the same period a year ago. Net income, before an extraordinary item, was $935,000 or 28 cents per share, on revenues *of $22.500m. This compares with* net income of $615,000 or 20 cents per share, on revenues of $15.98m. in second quarter 1974.

In addition, the company had an extraordinary gain of $678,000 or 18 cents per share, due to a tax loss carryforward. This brought total earnings for the second quarter of 1975 to $1.61m or 44 cents per share. Total earnings in the second quarter of 1974 were $1.04m. or 34 cents per share.

● Commercial Bank of Australia *is paying a final dividend for the year to June 30 of 7 cents.*

● Pacific Film unaudited group net profit rose to $A1.05m. (previous $A687,000 adjusted) for the half year to June 30. Sales rose 63.1 per cent.

● Pacific Gas and Electric second quarter earnings rose to 97 cents per share (90 cents) or net of $71.99m. (58.63m.) on revenues of $523.4m. (410.7m.). The second quarter net is after preferred dividends of $11.8m. (11.6m.)

Hutchison asks for advice

By Philip Bowring

HONG KONG, August 12.

TODAY'S decision by the Hutchison International board to ask merchant bankers Schroders and Chartered to advise on the offer *made last week by the Hongkong* and Shanghai Bank indicated that HIL is not going to cave in immediately to the ultimatum from the Bank. The board further affirmed that it thought the current difficulties experienced by the group were merely temporary. This implies that if those could be solved, shareholders might be able to avoid the apparent enforced dilution that an issue of 150 million shares at one Hong Kong dollar (par) to the HK Bank would bring.

Some regret that HIL directors have not produced figures to back up their *judgment* but, there is little doubt that, at this stage, the judgment of Schroders and Chartered (generally regarded here as fairly cautious in its assessment) will carry more weight than the HIL board.

Coincidentally, the managing director of Hutchison's merchant banking subsidiary, Asian International Acceptances (ASIAC), Mr. Robb Evans, to-day left Hong Kong having resigned his position. His resignation has not yet been announced. Mr. Evans is understood to have been considering leaving ASIAC for some time, and his decision is *not directly related to recent* events.

ASIAC, which concluded a tie-up with Westdeutsche Landesbank earlier this year, was known formerly as Slater Walker Hutchison. It is now a wholly-*owned subsidiary of the quoted* company Hutchison Financial—which used to be called Slater Walker Overseas Investments, then an investment trust.

Winns injunction continued

SYDNEY, August 12.

AN INTERLOCUTORY injunction restraining retailer Winns Ltd. from acquiring six country stores from Burns Philp and Co. *has been continued,* Winns directors said.

The injunction hearing was carried over in the equity court yesterday until next Monday for fixing of a date for a hearing.

Earlier this month, Winns and Burns Philp announced they agreed on the sale of six of the "Mates" chain of stores to Winns for $A3.4m. Winthrop Investments, the largest single shareholder in Winns, objected as it had already notified Winns *of an impending takeover offer* Winthrop would make for Winns.

Reuter

Citibank office for Stockholm

By William Dullforce

STOCKHOLM, August 12.

FIRST National City Bank (Citibank) has applied for Swedish Government permission to set up a representative office in Stockholm. The American bank already has offices in Oslo and *Copenhagen. Sweden has so far* authorised only three foreign banks to open offices here: First National of Chicago, Banco do Brasil and Union des Banques de Paris.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Up another 4 as inflation fears ease

BY OUR WALL STREET CORRESPONDENT

NEW YORK, August 12.

MONDAY'S LATE rally made further headway on Wall Street to-day, but the market lacked broad interest and closed below the best.

After spurting ahead 9.78 to 833.54, the Dow Jones Industrial Average partially reacted to 828.64, for a net rise of 4.78. The NYSE All Common Index further recovered 33 cents to $46.48, while rises led falls by a more than two-to-one majority. Trading volume expanded 2.16m. shares to 14.51m.

Analysts attributed buying in part to Agriculture Secretary Earl Butz call for a moratorium on grain sales to the Soviet Union, which eased inflation fears.

Technical factors and fresh hopes for a Mid-East peace settlement also spurred the early brisk rally.

Informed sources in Cairo said Egypt has revealed its final position on an interim peace accord with Israel and expects the agreement to be signed by the end of the month, while Israeli sources were equally optimistic.

In the interest rate front, Chemical Bank economists said money rates have overreacted to the recent tightening in monetary policy and therefore should decline over the next few weeks.

Boeing gained $1⅞ to $25¼.

Standard Oil of Ohio rose $1¼ to $79⅞—it proposes a public offering of 920,000 Common shares.

A. E. Staley spurted $2⅛ to $59⅞ on a quarterly dividend of 40 (25) cents a share.

American Telephone picked up $½ to $48⅞—its New York telephone subsidiary said the State's Public Service Commission authorised an increase of about $30m. annually in rates from some specialised services.

Anderson, Clayton added $1¼ at $29¼ on sharply higher earnings.

Macmillan Bloedel dipped $¼ to $4⅞ on lower profits, prediction of a poor second half, and also omitted the quarterly dividend.

Motors were narrowly mixed, while Steels edged higher.

In Oils Exxon gained $1¼ to $87⅞, Sohio $1¼ to $79⅞, Getty $4⅞ to $191, California Standard $⅞ to $30⅞ and Atlantic Richfield $3 to $105⅞.

Oil-import fees of $2 a barrel imposed by President Gerald Ford were declared illegal on Monday by a U.S. Court of Appeals.

The American SE Market Value Index was up 0.70 to 86.49, with advances outnumbering declines by 337 to 246.

Austral Oil, the most active issue, rose $½ to $17¼ on 46,900 shares.

U.S. Filter put on $¼ to $11⅞—the Navy selected a U.S. Filter unit to develop the Elk Hills, California, oil reserve.

Canada also up

Canadian Stock Markets also moved up with only Papers, off 0.70 at 110.85, moving against the general trend.

The Industrial Share Index rose 0.79 to 187.70, Golds 10.7 to 368.41, Base Metals 0.01 to 77.80, Western Oils 3.79 to 187.62, Utilities 0.50 to 128.68, Banks 3.12 to 268.87.

Dome Mines improved $⅞ to $47 and Campbell Red Lakes Mines $1¼ to $27¼, despite lower earnings reports.

Canadian Superior Oil were up $1¼ at $39, but Canadian Merrill fell $¼ to $5 *on talks to sell off* its Oilfield Services Division.

OTHER MARKETS

PARIS—Narrowly mixed in light trading.

Banks, Constructions, Electricals, Metals and Oils mostly improved, while Foods, Stores, Engineerings *and Textiles slipped* back. Other sectors were narrowly irregular.

Significant improvements were noticed in BCT, Radar, Peugeot, Bouygues, Dumez, Michelin, Presses de la Cite, Signaux, BP, and Club Mediterranee.

In a well-traded Foreign Sector, Germans led the way upwards, followed by Americans. But Belgians, Canadians and Dutch issues eased.

Among better International Oils, Mobil progressed noticeably. Gold Mines and Coppers also gained fractions, especially Western Deep.

BRUSSELS — Gains predominated.

Oils and non-Ferrous Metals were *higher with Cobepa* up Frs.22 to 1,166, Petrofina Frs.90 to 5,340 and Asturienne Frs.20 to 1,970.

In the Foreign list, Zaire, German and French shares gained ground, with Gzomines up Frs.14 to 874, Bayer Frs.35 to 1,815 and Pechiney Frs.22 to 1,026. Dutch issues were lower, with Akzo down Frs.10 to 562. U.S. shares were mixed. Boeing shed Frs.8 to 958, but ITT rose *Frs.20 to 860, IBM Frs.170 to* 7,490, General Motors Frs.25 to 2,020 and Union Carbide Frs.120 to 2,360.

AMSTERDAM—Mixed in listless trading.

Akzo eased Fls.0.4 to 37.5—its Enka-Glanzstoff Synthetic Fibers Division expects sizeable 1975 losses. Philips shed Fls.0.5 to 25.2 on the forecast of unfavourable second quarter results. Royal Dutch firmed Fls.0.20 to 94.2.

Bankings and Insurances were mostly steady. Local Industries were mixed.

MILAN—Most shares were slightly easier. Bonds were narrowly mixed in seasonally featureless trading.

SWITZERLAND—Steady in continued dull trading.

State Bonds were generally maintained.

Among Foreign Issues, Dollar stocks generally firmed slightly. Burroughs and IBM each rose sharply. Germans also firmed.

GERMANY—Firm on professional, Institutional and also private buying.

Public Utilities were heavily bought. RWE rose DM4 to DM127 and Veba put on DM3 to DM108.50.

Chemicals, Motors, and Banks were active. Bayer rose DM1 to DM118.90, BASF DM1.10 to DM145 and Hoechst DM2.80 to DM136.30. VW, up DM1.30 to DM116.80, declined to confirm or deny a report that Mid-East interests are seeking a 15 per cent. share in the company.

In the Fixed-Interest Market, Deutsche Bundesbank bought DM13m. worth of Public Issues, against DM10 on Monday. Short-term issues were in demand, while longer-term paper was sold.

OSLO—Bankings steady. Insurances and Industrials quiet, while Shippings were slightly weaker.

VIENNA—Quietly steady.

COPENHAGEN — Generally higher in fair dealings.

HONG KONG—Prices rose in decreased trading.

Hong Kong Bank were up 50 cents to 15.30, Hong Kong Land 15 cents to 6.50, Hutchison 9 cents to 1.78, Jardines 40 cents to 21.90, Hong Kong Electric 5 cents to 3.55 and Hong Kong and Kowloon Wharf 40 cents to 11.10.

TOKYO — Market declined, attributable to Institutional selling. The Bank of Japan's cut in its official discount rate to 7.5 per cent. from 8 per cent. had no impact on the market.

Electricals, Motors, Constructions, Housing, Foodstuffs, Paper-Pulps, Machineries, Shippings and Printings were lower.

Nippon Chemical and Nippon Denko each lost ground on Chromium pollution problems.

Tokyu Car were favoured on reports of new orders.

AUSTRALIA—Generally hesitant in listless pre-budget trading.

Further demand for Brickworks provided the only point of interest and the stock gained a further 20 cents to $A8 on a turnover of 780 shares—a brokers estimate suggests the stock has a real asset of $A20 per share.

BHP were up 4 cents to $A7.16.

Bank of NSW were down 8 cents to $A5.94.

Brewers were mixed. Tooth firmed another 3 cents to $A1.60 but Tooheys eased 2 cents to $A1.40.

Properties tended to firm.

In Minings, Cugeon eased 2 cents to 75 cents, Mineral Deposits 5 cents to $A1.15 and Cons. Rutile were down 20 cents to $A1.55.

JOHANNESBURG—Gold shares moved ahead following the slight improvement in the bullion price and also renewed interest from overseas.

Mining Financials followed Producers. Platinums drifted lower. Other Metals and Minerals were generally down.

Industrials were inactive.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume† 000's
Aug. 12	68.28	167.45	828.64	78.38	14,510
11	68.25	166.69	823.76	78.22	12,360
8	68.26	156.63	817.74	78.67	11,660
7	66.28	156.65	815.78	78.64	12,390
6	66.24	156.71	815.67	78.48	16,280
5	66.31	156.79	810.15	78.57	16,470
4	68.57	157.96	818.05	79.05	12,620
1	68.64	160.40	826.50	79.65	13,320
July 31	68.61	161.33	831.51	79.50	14,640
30	68.82	161.26	831.66	79.34	16,150
29	68.66	159.29	824.86	79.60	19,000
28	68.83	160.25	827.83	80.11	14,850
25	66.81	161.22	834.09	80.01	15,110
24	62.68	161.56	840.27	81.15	20,560
23	68.97	162.69	836.87	82.37	20,150
22	66.98	167.12	846.76	83.14	20,660
21	68.81	170.15	845.74	85.50	16,690
1975 High	68.82 (4/4)	174.12 (15/5)	881.81 (16/7)	87.07 (24/6)	—
Low	66.18 (3/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/65)	—
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.50 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Aug. 8	Aug. 1	Aug. 9, 1974
4.75	4.69	4.80

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	Aug 12	Aug 11	Aug. 8	Aug. 7	Aug. 6
51.24 (15/7)	37.06 (2/1)	46.48	46.15	45.92	46.10	46.09

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,778	943	377	458

	Aug 12	Aug 11	Aug. 8	Aug. 7	Aug. 6
New Highs	10	4	6	8	4
" Lows	8	19	14	12	18

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975 High	1975 Low	Aug 12	Aug 11	Aug. 8	Aug. 7	Aug. 6
86.90 (16/7)	62.20 (2/1)	86.49	85.79	85.86	86.34	87.15
Volume (000's)		1,470	1,450	1,490	1,710	1,900

U.S. STOCK INDICES STANDARD AND POORS

	*Industrials	†Composite
Aug. 12	97.36	87.12
" 11	97.22	86.55
" 8	96.56	86.02
" 7	96.97	86.30
" 6	96.79	86.25
" 5	96.74	86.23
" 4	97.75	87.15
" 1	98.68	87.99
July 31	99.58	88.75
1975 High	107.40 (15/7)	95.61 (15/7)
1975 Low	77.71 (8/1)	70.74 (8/1)

* 425 Industrials. † 425 Industrials, 50 Utilities 25 Rails.

STOCK AND BOND YIELDS

	Aug. 6 1975	July 30 1975	July 31 1974
Ind. Ord. Yield pc	3.94	3.94	4.25
Ind. Ord. p/e ratio	10.53	10.85	10.29
Long-term Govt. Bds. per cent.	8.69	8.71	8.68

TUESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Virginia Elec.	211,500	13½	−⅛
Polaroid	190,700	33⅞	+⅞
Pacific Pwr. & Lt.	155,300	18	−¼
Mont. Power	154,300	22½	−⅛
Pub. Sv. Colo.	143,500	14	—
Beatrice Foods	136,000	18⅞	+⅛
Westinghouse Elec.	117,700	13⅞	+¼
Amer. Tel. Tel.	113,100	48⅞	+½
Occidental Petrolm.	95,000	17⅞	+⅞
RCA	94,800	17⅞	−⅛

TORONTO

INDUSTRIAL INDEX

Aug. 12	Aug. 11	1975 High	1975 Low
187.70	186.91	196.30 (15/7)	159.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

Aug. 12	Aug. 11	1975 High	1975 Low
195.41	194.45	205.61 (13/7)	139.93 (2/1)

COMBINED INDEX

Aug. 12	Aug. 11	1975 High	1975 Low
189.65	188.90	198.98 (15/7)	138.02 (2/1)

JOHANNESBURG

	Aug. 12	Aug. 11	1975 High	1975 Low
Industrials	222.4	222.3	239.9 (16/7)	182.2 (27/1)
Golds	290.5	290.8	379.1 (3/1)	245.3 (13/4)

(1958=100.) Source: Rand Daily Mail.

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,791	946	411	434

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Aug. 7	July 31	July 24
On Dividends	7.51	7.53	7.42
On Earnings	14.05	14.15	14.25

SYDNEY ALL ORD. INDEX

Aug. 12	Aug. 11	High 1975	Low 1975
358.99	359.13	385.55 (4/5)	289.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

Aug. 12	Aug. 11	High 1975	Low 1975
310.58	311.93	333.11 (2/7)	268.24 (10/1)

HONG KONG INDEX ◆

Aug. 12	Aug. 11	High 1975	Low 1975
305.87	299.86	341.57 (9/8)	160.45 (9/1)

SINGAPORE INDEX §

Aug. 11	Aug. 8	High 1975	Low 1975
221.49	225.26	268.59 (11/5)	168.46 (8/1)

EUROPE

	Aug. 12	Previous	1975 High	1975 Low
Belg'm (a)	102.28	108.00	111.31 (16/5)	89.07 (2/1)
Denm'k (b)	92.36	91.85	92.50 (13/6)	73.06 (13/1)
France (d)	86.6	86.8	72.6 (23/4)	61.70 (3/1)
Germ'y (e)	718.6	709.9	726.1 (15/4)	573.8 (2/1)
Holland (f)	89.1	89.0	107.6 (6/6)	83.8 (2/1)
Italy (g)	61.61	61.60	108.86 (21/2)	61.55 (4/8)
Spain (h)	98.36	98.46	110.86 (25/4)	95.50 (4/7)
Sweden (k)	378.12	378.16	391.44 (1/8)	310.56 (8/1)
Switz'rl'd	261.5	261.2	285.1 (5/5)	205.3 (3/1)

Indices and base dates (all base values 100):—(a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December 1953. (f) Amsterdam Industrial 1970. (g) Milan 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (l) Swiss Bank Corp. 31/12/58. (u) Unavailable. ◆ Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. ¶ Adjusted.

Pound steady

Sterling remained fairly steady in the foreign exchange market yesterday and made small gains against major currencies in general, while holding its previous level in terms of the U.S. dollar.

The pound began at $2.0980-$2.0990, but during the morning moved up to $2.1020-2.1030, and then to $2.1040-2.1050. In the afternoon the highest level touched was $2.1070-2.1080, but at the close sterling had slipped back in thin trading to the same level as the previous evening at $2.1020-2.1030.

Sterling's trade-weighted average depreciation against ten major currencies since the Washington Currency Agreement (as calculated by the Bank of England) improved to 27.7 per cent., from the previous 27.8 per cent., after being 27.7 per cent. at noon and 27.9 per cent. in early dealings. The dollar's trade-weighted average depreciation against 14 units, since the Washington Agreement, as calculated by Morgan Guaranty of New York, *on noon rates*, firmed slightly to 2.32 per cent., once again its best level since January 30, 1974, and compared with 2.33 per cent. previously. Sterling's depreciation on a similar basis narrowed to 33.47 per cent., from 33.58 per cent., and the Japanese Yen's appreciation was only slightly changed at 0.96 per cent., compared with 0.97 per cent., following the cut in Japan's Bank Rate by ½ per cent. to 7½ per cent.

Gold closed $1.35 higher at $163.60-164.60 in moderate activity, with the price rising in line with the movement in New York. The krugerrand for domestic delivery ended at $172½-174 (£82-82¾), compared with the previous $171¾-173½ (£81¾-82½).

EXCHANGE CROSS-RATES

Aug. 12	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf't.	—	2.585-587	58.75-65	6.73-75	5.445-455	97.56-65	96.15-25
N. York	38.58-60	—	22.72-76	2.6050-75	2.1020-1030	37.64-68	37.13-15
Paris	169.75-.15	4.3552-3952	—	11.461-476	9.139-264	165.85-52	165.55-.95
Brussels	14.78-87	38.28-33	8.70-75	—	80.56-23	14.44-65	14.21-31
London	5.45¼-44¾	2.102-103	9.25-24	80.60-80.30	—	5.56¼-57¼	5.65-66
Am'erdam	102.366-405	2.6442-57	60.27-32	6.9036-85	5.575-560	—	98.535-635
Zurich	105.26-97	[illegible]	61.17-24	7.00-01	6.652-660	101.54-67	—

U.S. $ in Montreal. U.S.$=103.66-68 Canadian cents.
Canadian $ in New York. $C1=96.46-47 U.S. cents. U.S. $ in Milan 670.10.
Sterling in Milan 1412.40.

EURO-CURRENCY INTEREST RATES*

Aug. 12 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	8⅛-9⅛	5⅞-6⅜	5⅛-6⅛	1¾-2	¼-1¼	1¾-2
7 days notice	9⅛-10⅛	6-6½	6-7	1¾-2	⅛-1¼	¾-1¼
Month	10-10⅜	6¼-6¾	7⅞-8⅜	2⅝-2⅞	2¾-2⅞	2⅞-3⅛
Three month	10⅞-11¼	7-7½	8⅜-8⅞	3⅝-3⅞	3⅜-3⅝	3⅝-3⅞
Six months	12-12⅜	7⅞-8⅜	8½-9¼	5⅜-5⅝	4⅛-4⅜	5¼-4⅛
One year	12⅝-13	8⅛-9	9¼-9¾	6⅜-6⅞	5⅛-5⅜	5⅛-5⅜

Euro-French deposit rate short-term 7-7½ per cent.; seven days' notice 7-7½ per cent.; one-month 7⅞-8 per cent.; three months 8⅛-8⅜ per cent.; six months 9⅛-9⅜ per cent.; one year 10⅛-10⅜ per cent.

Longer-term Eurodollar deposits: two years 9⅛-9⅜ per cent.; three years 9⅛-9⅜ per cent.; four years 9⅛-9⅜ per cent.; five years 9½-10 per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 6⅛-6⅜ per cent.; three months 7⅛-7 per cent.; six months 8-7⅞ per cent.; one year 8⅞-8⅝ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two days' notice for guilders and Swiss francs.

GOLD MARKET

	Aug. 12 1975	Aug. 11 1975
Gold Bullion, (a fine ounce) Close	$163.6-164.6	$162¼-163¼
Opening	$162¾-163¾	$162¼-163¼
Morning fix'g	$163.15 (£77.506)	$162.5 (£77.327)
Afternoon fix'g	$163.50 (£77.672)	$161.9 (£77.004)
Gold coins (domestically) Krugerrand	$172½-174 (£82-82¾)	$171¾-173½ (£81¾-82½)
New sov'r'gns	$53½-55¼ (£25½-26¼)	$52½-54 (£25-25¾)
Old sov'r'gns	$52-53½ (£24¾-25½)	$51½-53 (£24½-25¼)
Gold coins (Inte'n't'n'ly) Krugerrand	$168-170 (£79¾-80¾)	$166½-168½ (£79-80)
New sov'r'gns	$50-50½ (£23¾-24¼)	$49¾-50½ (£23½-24)
Old Sov'r'gns	$50-50½ (£23¾-24¼)	$49¾-50½ (£23½-24)
$ 20 Eagles	$251-254	$250-253
$ 10 Eagles	$118-121	$117-120
$ 5 Eagles	$85-88	$84-87

FOREIGN EXCHANGES

Aug. 12 1975	Bank Rates %	Market Rates Day's Spread	Close
New York	6	2.0950-.1080	2.1020-2.1030
Montreal	8¼	2.1756-.1858	2.1785-2.1795
Amsterdam	6	5.55-5.58	5.56½-5.57½
Brussels	†6½	80.40-.90	80.60-80.30
Copenh'gen	8	12.50-12.55	12.53½-.54½
Frankfurt	4½	5.42-5.45	5.43½-5.44½
Lisbon	6½	55.55-56.00	55.75-.95
Madrid	†7	122.50-123.00	122.78-122.90
Milan	7	1,405-1,412	1,408-1,412
Oslo	5½	11.50-11.55	11.50½-11.51½
Paris	9½	9.22-9.26	9.23-9.24
Stockholm	7	9.07-9.11	9.09-9.10
Tokyo	7½	620-630	626-628
Vienna	6	38.10-38.60	38.25-38.45
Zurich	4½	5.64-5.67	5.65-5.66

† Basic discount. ‡ Rates given are for convertible francs; closing financial franc 82.90-83.10.

OTHER MARKETS

		¶Notes Rates	
Argentina	70.41-70.81	Argentina	170-200
Australia	1.6538-1.6558	Austria	37½-39½
Brazil	17.28-17.48	Belgium	82-84
Finland	7.971¼-7.981¼	Brazil	21-24
Greece	68.798-70.494	Canada	2.16-2.19
H'ngKong	10.625-10.660	Denmark	12.42-12.50
Iran	139.0-141.0	France	9.10-9.30
Kuwait	0.605-0.615	Germany	5.35-5.55
Luxemb'g	80.60-80.90	Greece	67-69½
Malaysia	5.500-5.519	Italy	1460-1510
N. Zealand	1.8987-.9649	Japan	620-650
Saudi Arbia	7.25-7.40	Nethrl'nds	5.50-5.70
Singapore	5.1945-5.2155	Norway	11.35-11.55
S. Africa	1.4980-1.5127	Portugal	54½-57
U.S.		Spain	120-125
Canada		Switz'land	5.55-5.75
C$1=		U.S.	2.08-2.12
U.S. cents	96.46-96.48	Yugoslavia	35-39½

¶ Based on rates quoted by specialist dealers. Other rates may be quoted elsewhere. ◆ Rate given is the commercial rate; financial rate 59.40-59.60.

FORWARD RATES

—	One month	Three months
New York	0.70-0.60 c.pm	1.85-1.75 c.pm
Montreal	0.60-0.40 c.pm	1.53-1.25 c.pm
Amst'dam	4-3 c.pm	10¼-9¼ c.pm
Brussels	25-05 c.pm	50-60 c.pm
Cop'n'hg'n	3-5 ore pm	12.8 ore pm
Frankfurt	4.3 pf. pm	10¾-9¾ pf pm
Lisbon	40c.pm-50 c. dis	90c.pm-60c.dis
Milan	1-4 lire dis	7-10 lire dis
Oslo	5-2 ore pm	12.8 ore pm
Paris	3-1 c.pm	5-3 c.pm
Stockh'lm	2¼-1¼ ore pm	5½-5½ ore pm
Vienna	35-10 gro pm	65-55 gro pm
Zurich	4-3 c.pm	10¼-9¼ c. pm

Six-month forward U.S. dollar 3.90-3.80c pm. and 12-month 7.55-7.45c pm.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—94⅛% (95¼%)

NEW YORK

Stock	Aug. 12	Aug. 11
Addressograph	6¼	6¼
Aetna Life & Cas.	25⅝	25⅝
Air Products	71½	70⅝
Corning Glass	44⅞	46
CPC Int'nation'l	43½	42½
Crane	45¼	46
Crocker Nat. C.P.	22⅝	22½
Crown Zellerbach	38⅝	37½
Cummins Engine	19⅝	19⅝
Johns Manville	25	22¾
Johnson Johnson	86¾	88⅝
Johnson Control	12⅞	12¼
Joy Manufactur'g	75¼	75⅝
Kaiser Alumin'm	29⅝	29⅛
Kaiser Industries	8⅞	9
Rapid America	5⅝	5⅝
Raytheon	48⅛	47¼
RCA	17⅞	17⅞
Reading	1⅞	2
Republic Steel	32⅝	31½
Revlon	72	71¼
Zenith Radio	24⅛	24¼
Chile 3% 1993	85	85
Peru 3% 1993	†95	†95
U.S. Treas. 6% 1974	†99.30	†99.30
U.S. Treas. 4% 1980	†85.24	†86.08
U.S. Treas. 4% 75/85	†82.24	†82.24

GERMANY ◆

Aug. 12	Price Dm.	+ or −	Div. %	Yld. %
A.E.G.	81	+0.9	—	—
Allianz Versich.	463xd	+4	a17	1.7
B.M.W.	231.5	+1.5	14	3.0
BASF	145	+1.1	17	5.9
Bayer	118.9	+1	17	6.6
Bayer Hypo	319	+1	18	2.7
Bayer Vereinsbk.	353.5		18	2.5
Commerzbank	213.5	+0.5	17	3.9

AMSTERDAM

Aug. 12	Price Fls.	+ or −	Div. %	Yld. %
Ahold (Fl.20)	109.3	+0.8	18	3.5
Akzo (Fl.20)	37.5	−0.4	20	10.7
Algem Bnk (Fl.100)	335xd	−5	20	6.6
AMAS NV (Fl.10)	12.0	−0.1	10	8.5
AMEV (Fl.20)	96	+0.1	30	10.5
AmroBank (Fl.20)	77.5	−0.4	20	5.2
VanBerkels (Fl.50)	119	+0.3	15	6.3

AUSTRALIA

Aug. 12	Aug. 8	+ or −
Acrow Australia	†0.60	......
Adelaide Brig'ton Cem't 50c	†0.77	−0.02
Allied Mnfg. Trdg. Indus $1	†1.52	......
Ampol Exploration	†0.56	−0.05
Ampol Petroleum	†0.41	......
Assoc. Minerals	†2.69	+0.10
Assoc. Pulp Paper $1	†0.76	......
Aust. Cons. Industries	†1.15	−0.07

VIENNA

Aug. 12	Price %	+ or −	Div. %	Yld. %
Creditanstalt	380	......	10	2.6
Perlmooser	243	+2	12	5.5
Selecta	750	+5	48	6.4
Semperit	178	......	—	—
Steyr Daimler	148	......	9	6.1
Veit Magnesit	374	+4	22	5.8

JOHANNESBURG

MINES

August 12 — Rand — + or −

Anglo American Corpn.

CANADA

PARIS

TOKYO ¶

BRUSSELS

MILAN

STOCKHOLM

OSLO ◆

SWITZERLAND ◆

COPENHAGEN

SPAIN ▼

هكذا من الاصل

FARMING AND RAW MATERIALS

N. Zealand lifts wool floor price

WELLINGTON, August 12.

THE NEW ZEALAND wool floor price for the 1975-76 season will be 124 NZ cents a kilo, compared with 93 cents last season.

Mr. John Clarke, Wool Board chairman, said after a meeting of the New Zealand Wool Marketing Corporation and the Minister of Agriculture and Fisheries, Mr. Colin Moyle, that the corporation last week agreed to a minimum price of 108 cents a kilo. However, it decided to add the full effect of the 15 per cent. devaluation of the New Zealand dollar.

Mr. Clarke said the price would *create more confidence in the* wool growing sector, particularly among high country farmers who depended on store stock. He said the wool marketing position was rather better than at the same time last year. Wool in stock (about 200,000 bales) represented only one tenth of what would be sold in a year.

Mr. Thomas McNab, chairman of Federated Farmers, said the new minimum price seemed "optimistic" in relation to last year's prices and the economy. It seemed higher than market prospects suggested, but farmers could only hope events would justify the Board's decision.
Reuter

Grain markets shrug off U.S. crop forecasts

BY JOHN EDWARDS, COMMODITIES EDITOR

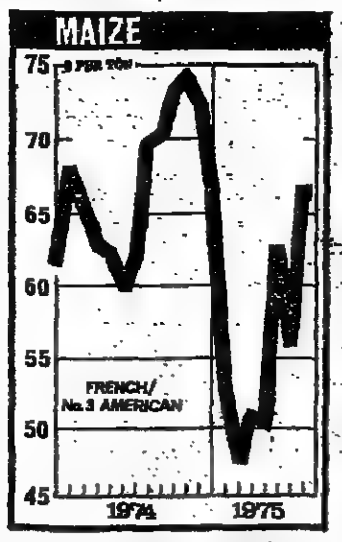
GRAIN MARKETS in London and Chicago opened slightly lower yesterday, following the latest crop estimates by the U.S. Department of Agriculture and the announcement of a temporary embargo on sales to the Soviet Union.

Although the crop estimates *showed reductions from previous* forecasts, the cuts were very much in line with market expectations and had, to a large extent, already been *discounted*. As a result, the first reaction was to view the report as "bearish."

Values in later trading made *up most of the earlier losses*, however, as dealers calculated that there was little scope for prices to fall. But there was the possibility of a further rise.

It was argued that, if the next USDA estimate in September showed a further decline as a result of dry conditions in the U.S. "corn belt," market values would naturally rise. But if the crop remained at the present level, or improved by September, *then exporting to the Soviet* Union was likely to be resumed, which again would cause prices to rise.

There were further rumours of Russia seeking to buy grain from sources other than the U.S., but the amount available for sale is limited. The EEC is reluctant to dispose of its surplus of feeding wheat to Russia in view of doubts surrounding the Community's forthcoming harvest. It prefers to await clarification of the situation in the U.S.—still a major supplier of grains to the EEC.



The Canadian Wheat Board remains withdrawn from the market for wheat, oats and barley, while it reassesses the supply position following sales to Russia and the impact of hot dry weather.

There was encouraging news from the Alberta province, where *it was reported* that cooler temperatures and showers had eased crop deterioration.

In London, trading in imported grains was said to be very slack, with little business done. U.S. dark northern spring wheat No. 2 was quoted at £88 a tonne for August and September delivery, direct Tilbury, compared with £89 on Monday. American No. 3 Maize was unchanged at £66.50 a tonne.

● The U.S. and Japan said they agreed in principle that the U.S. would sell at least 14m. tonnes of grain annually to Japan over the next three years, reports Reuter from Washington.

U.S. Agriculture Secretary, Mr. Earl Butz, said the USDA had already taken into account projected sales to Japan and planned to take care of regular customers. This was one reason that sales of grain to the Soviet Union had been slowed down.

U.S. grain harvest—Page 10

New silver export move by India

By P. C. Mahanti

CALCUTTA, August 12.

TO TAKE full advantage of the heavy international demand for silver—the price for which has now risen to a record Rs.1,420 per kilogram in the Indian markets—the Government has permitted the free export of silver products.

These include silver coin, silver bullion, sheets and plates, silver chemicals and compounds with more than 50 per cent. silver content, and other products with more than 50 per cent. silver.

According to leading bullion merchants, daily Indian exports of silver now stand at 25 to 30 tonnes per day, as against 15 tonnes only a week ago.

Our Commodities Staff writes: London silver prices eased initially yesterday, the spot bullion price being fixed 1.7p lower at 235.7p a troy ounce in the morning, but the market rallied in later trading to close on a higher note.

Base metal markets on the London Metal Exchange were subdued. Cash copper wirebars closed £2.25 higher at £602.5 a tonne, after earlier falls and lead and zinc also closed with slight gains. Cash tin closed £2 lower, however, at £3,227 a tonne, following a sharp fall in the Penang Straits tin market overnight.

PAKISTAN AGRICULTURE

Optimism despite the setbacks

BY IQBAL MIRZA

IN SPITE of bad setbacks which have delayed Pakistan's ambition to achieve self-sufficiency in food production in a few years, the *Government is optimistic* that the present gloom is only temporary.

Last year Pakistan suffered droughts. The water flow in the rivers was the lowest ever recorded and as much as 35 per cent. below the average of the past 35 years. The effects of the water scarcity persisted throughout the last kharif (winter) and the current rabi (spring) season. In addition water expected from Tarbela dam was not available because of the fault in the dam which was discovered in August, 1974. The low water level also caused a *serious shortfall in power* generation at Mangla and this power shortage in turn hampered the operation of tubewells. While timely rains in late winter relieved the situation to some extent, agricultural production was inevitably retarded, and Pakistan had to import more than 1m. tonnes of wheat.

As soon as the danger signal *became apparent, the* Prime Minister, Mr. Zufikar Ali Bhutto, constituted a high-powered committee to deliberate on the agricultural failures. The committee which recently submitted its report examined in depth the problems and difficulties of the agriculture sector and its potential.

Stagnation

According to the committee the *current stagnation is temporary* and can be rapidly overcome. Pakistan is rich in manpower and has good natural resources. The *country can afford the financial* resources for increased agricultural development. What is needed is confidence to take determined action. The committee thought that the agriculture sector should be able to maintain a growth rate of at least 5 per cent. per annum over the next few years.

Mr. P. K. Shahani, Advisor on Agriculture to the Sind Government, estimated that the rate of growth in agricultural output has averaged 0.9 per cent. per annum. Production of foodgrains has risen by 0.8 per cent. annually which is well below the 3 per cent. growth in population. The recent slow growth is agricultural production appears to be the consequence of interaction of a number of economic, social and *climatic factors. Positive rains* have been recorded in several areas but these have been offset by setbacks or inertia in other fields.

Mr. Shahani estimates that the 1973-74 floods caused a loss of agricultural output amounting to Rs.2.1bn. (£100m.) and the delay in the commissioning of Tarbela dam constituted a further serious setback.

The *failure of previous governments* to contain water-logging and salinity will weigh heavily on present and future output by reducing the productivity or constraining the increase in output of large areas of land which would, by now, have received protection if the land programme had been implemented on schedule, Mr. Shahani believes.

A painful omission on the part of previous Governments *had been the gross neglect of* arrangements for production and distribution of improved seed, particularly of wheat, cotton, sugar cane and fodder crops. The agricultural inquiry committee, therefore, immediately despatched a purchase mission for the import of 17,000 tons of high yielding seeds from Mexico which was considered essential for achieving the wheat production target for 1975-76. The seed will be *sold well below the market* price. The Government is also trying to procure the maximum quantity of high yielding seed produced locally.

It feels that by the 1976-77 season improved seed will be available for the whole of that year's wheat crop.

In the long term the problem of improved seed can be resolved by establishing a proper seed industry and ensuring that the requirements of improved seed are met entirely from domestic output. An FAO-World Bank mission has already made recommendations *for setting up seed* corporations in the public sector.

The Government is also trying to boost fertiliser and water supplies and to achieve better balance between input and output prices.

The total water resources, after full development, have been *estimated at 142m. acre feet at* canal heads. The present availability of water is around 100m. Even after full development, the availability of water, that is, 142m. acre feet, according to experts, will not be sufficient to irrigate 33.7m. acres at 150 per cent. intensity. The water resources are therefore, much smaller than the resources of land.

Ground water

Prime Minister Zulfikar Ali Bhutto *has stressed that the* exploitation of ground water resources should proceed more vigorously. Provincial *governments are engaged in removing* the present shortage of drilling capability. Priority has also been given to the extension of *electricity to rural areas* to promote installation of tubewells and subsidies for the installation of private tubewells are given. A watch is also being kept to ensure that the ground water reservoir, in any local area, is not over-exploited. Farmers are being guided on proper location of tubewells. The waterlogging and salinity control programme is also being implemented on an accelerated basis.

In order to meet the immediate pressures on the economy, an upward revision in the price structure for wheat, sugar and vegetable *oil was announced by* the Government in April this year. Accordingly, the issue price of wheat was raised from Rs.21.50 per maund to Rs.32 per maund, the selling price of sugar was increased from Rs.3.60 per seer to Rs.4 per seer and that of vegetable oil increased from Rs.7.50 per seer to Rs.9 per seer.

Hopes are pinned on the expected upswing in international economic activity by the end of 1975 and the availability of water from Tarbela next spring and officials feel that the country can look forward to better times in *the not too distant future.*

Rubber pact may be signed this month

KUALA LUMPUR, August 12.

EXPERTS DRAWING up a rubber price stabilisation scheme aimed to put a five-year agreement before ministers of natural rubber producing countries for signature later this month or early in September, said informed sources.

The experts—appointed by the Association of Natural Rubber Producing Countries (ANRPC)—to-day began a meeting on the scheme, which was agreed in principle at an ANRPC meeting last May. Indonesia, Malaysia, Singapore, Sri Lanka and Thailand agreed then to set up a 100,000 tonne buffer stock.

The sources said price levels for operations by the buffer stock manager still remained to be fixed. One suggestion under discussion called for compulsory buffer stock purchases below a floor of 120 Malaysian cents a kilo for RSS No. 1 and sales above a ceiling of between 185 *cents and 200 cents.*
Reuter

Fertiliser prices weakening

BY PETER BULLEN

WEAKENING WORLD prices and demand for fertilisers may *undermine the confidence needed* to invest large amounts of capital, which was necessary to make Britain self-sufficient in its supply of these materials.

Mr. W. H. Coates, general manager of Albright and Wilson's agricultural sector, gave this warning when he spoke yesterday at the international seminar in Helsinki held by the Chemical Industry Committee of the U.N. Economic Commission for *Europe*.

Last year's alarming increase in fertiliser raw material prices would continue to have serious repercussions throughout the world. This, coupled with poor autumn, winter and spring conditions in Europe and the U.S., had resulted in a reduction in demand in the world market, he said.

The general turndown in world trade had reduced the demand *for ammonia for technical purposes*, which had caused a serious collapse in its price. These factors affecting nitrogenous fertilisers could be relatively short lived, however.

"So far as the other two nutrients are concerned, the turn*down in demand could be of a* longer duration. In respect of phosphate, taking into account accumulated reserves in the soils of developed countries and the shortage of finance in underdeveloped countries, the reduction in demand could last for longer.

"*In a similar manner, although* perhaps to a lesser degree, the same could apply to potash. A weakening of the prices of these *materials will, of course,* help to bring the demand back to more normal levels more quickly."

Mr. Coates said the result would be the weakening in prices and demand which could undermine confidence to invest the £100m. necessary to make the U.K. self-sufficient. If the U.K. was to play its part in feeding the world by making fertilisers available for export, a further £150m. would be necessary.

"There are, however, two basic stabilising factors which are increasingly available to us in the U.K.

These were the discovery of methane in the North Sea and the development of potash mining in Yorkshire. "Here are *two of the basic raw materials* of the fertiliser industry which, if properly exploited, could give us the bargaining power to purchase the phosphate rock which is not available to us in the U.K. and provide all the fertiliser we require to increase our agricultural output and give us a surplus for export to the Third World, Mr. Coates said.

● According to a market study published by the Paris-based Dynachim company to coincide with the UN seminar, a 13 per cent. drop in shipments of fertilisers this year is primarily *due to an elasticity of demand* resulting from "exaggerated 1974 price increases and subsequent price resistance."

It claims that the fertiliser business is depressed and that there is a glut of all raw materials, rather than the tightness indicated by vested interests. "Unless demand improves by next February, there may be a complete crash in prices of fertiliser raw materials as occurred in 1967."

Argentine hide surplus denied

BUENOS AIRES, August 12.

THE ARGENTINE Tanners' Chamber has denied that Argentine meat packers are holding substantial surpluses of wet salted hides and called on the Government to keep in force a ban on wetsalted hide exports.

Tanners' Chamber spokesmen said proposed shipments of 4m. wetsalted hides by meat packers and the Argentine Meat Board were completely unwarranted.

Wetsalted hide exports were suspended in 1972 to ensure supplies to the domestic tanning industry, whose annual needs amount to around 8m. hides.

A regional Meat Packers' Chamber report estimates that 12m. to 13m. head of cattle will be slaughtered by meat packers in 1975, giving a surplus of 4m. to 5m. hides. Illegal slaughtering would probably increase this by 2m., the report added.
Reuter

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Upon balance on the London Metal Exchange. Prices were lower in the morning owing to profit-taking, which later prompted stop-loss selling, outweighing the earlier steadiness induced by the higher U.S. market overnight. Forward metal fell to £614 before recovering to end at the day's highest of £623.5 [illegible]

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	595.5-6	—2	602-3	+2.25
3 months	615-6	—2.75	623-.5	+1.5
Settlem't	596	—2	—	......
Cathodes				
Cash	592.5	—3	591-.5	+2.75
3 months	603-.5	—2.75	611.5-2	+2.25
Settlem't	593	—3	—	......
U.S. Smt.	—	......	*58-63.7	......

Amalgamated Metal Group reported that in the morning cash wirebars traded at £594, 95, 95.5, three months £616, 15. Cathodes: cash £593. Kerbs: Wirebars: cash £603.5, 03, three months £615, 16. [illegible]

TIN—Little changed overall. Prices were initially lower reflecting the decline in Penang overnight and the easier tone of copper. Forward metal fell to £3,255 but later rallied in line with the general trend [illegible]

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	3215-7	—15	3226-8	—2
3 months	3255-7	—10	3264-6	—1.5
S'ment	3217	—15	—	......
Standard				
Cash	3215-7	—15	3226-8	—2
3 months	3255-7	—10	3264-6	—1.5
S'ment	3217	—15	—	......
Straits E.	[illegible]	......		......
New York	—	......	*360.75	+1.0

Morning: Standard: cash £3,217, 16, three months £3,250, 60, 55. High Grade untraded. Kerbs: untraded. Afternoon: Standard: mid-Sept. £3,230, three months £3,265, 60, 58, 60, 63, 65, 65. High Grade untraded. Kerbs: Standard: three months £3,260.

LEAD—See-sawed. Freer offerings reflecting the downward movement in copper took forward metal to £186.5 at one time before the price rallied in line with the general trend to end at £192. Turnover 5,875 tonnes.

[illegible]

ZINC—[illegible] general early weakness of other metals took forward metal down to £351 at one time. A recovery to £356 was later staged in line with the overall trend but this still represented a modest fall on balance. Turnover 4,775 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	339.5-40	—3.75	344-5	+1
3 months	351.5-2	—4	355.75-6	—.25
S'ment	340	—4	—	......
Prim. West	—	......	*58½-9	......

Morning: cash £339, 39.5, three months £353 to 51, 51.5. Kerb: three months £352. Afternoon: three months £353.5 to 55.5, 55, 55.5, 56.

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

SILVER

Silver was fixed 1.7p an ounce lower for spot delivery in the London bullion market yesterday at 238.7p. U.S. cent equivalents of the fixing levels were: spot 496.6c (497.5c), three-month 506.1c (508.2c), six-month 519.2c (519.0c) and 12-month 540.5c (542.8c). The metal opened at 236½-237½p (495½-498c), but improved during the afternoon to close at 241-242p (507-509½c).

SILVER per troy oz.	Bullion fixing prices	+ or —	L.M.E. close	+ or —
Spot	238.7p	—1.7	242.25p	+5.8
3 months	243.3p	—1.7	249.9p	+4.8
6 months	251p	—1.7	—	......
7 months	—	......	251.5p	+8.8
12 months	266.1p	—8.1	—	......

LME—Turnover 194 (232) lots of 10,000 ozs. Morning: three months 243.1, 3.2, 3.5, 3.7. Kerb: three months 243.3. Afternoon: three months 246.5, 47, 47.2, 47.3, 50, 50.5, 50, 50.1, 50.2, 50, 49.5, 49.5. Kerb: three months 249.5, 9.8, 9.5.

COCOA

Conditions were generally quiet today with values showing little change on the day, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No. 4 Contract			
September	580.0-82.0	—1.25	582.0-12.0
December	585.0-86.0	—3.75	587.0-77.5
March	575.0-77.0	—2.8	577.0-68.5
May	571.0-72.0	—3.5	570.5-65.0
July	571.0-73.0	—4.0	573.0
September	571.0-72.0	—3.0	568.0
December	570.0-75.0	—	—

Sales: 1,242 (1,161) lots of 10 tonnes.

International Cocoa Agreement prices: Daily 55.08 (55.64) U.S. cents per pound; indicator 15-day average 56.01 (56.18); 22-day average 55.48 (55.27).

FREIGHTS

DRY CARGO—In marked contrast to yesterday's trade, chartering was on a very small scale with many sections idle.

Grain bookings covered cargoes from Houston to Antwerp/Hamburg range at $3.75 f.i.o. for Aug. and U.S. Gulf to Tarragona at $6.50 f.i.o. for Aug. A cargo of maize was arranged from South Africa to three ports Japan at $13.75 free discharge for August.

Miscellaneous chartering included gypsum from Nova Scotia to Searsport at $4.50 f.i.o. for early Sept. and phosphate from Annaba to India at $7.55 f.i.o. for Aug.

In the timecharter section, a vessel of 103,225 long dwt was booked for a trans-Atlantic round voyage at 43 cents, delivery Continent Aug. in direct continuation.

A vessel of 20,000/22,000 long tons was required for a voyage from Japan/Philippines to U.K./Continent, via Suez, Aug. 13/30 and a single or 'tween deck ship of 10,000/17,000 long dwt for six to [illegible]

[illegible] nine months' trading, delivery Antles/Bordeaux range about Aug. 20.

COFFEE

Robusta futures were marked lower at the opening following previous night's softer tendency in New York. Light long liquidation initially pushed prices up to £8 below previous close but the cheaper levels later attracted some support. [illegible]

[illegible]

RUBBER

EASIER opening in the London physical market. [illegible]

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

LONDON DAILY PRICES (raw sugar) [illegible]

[illegible]

GRAINS

THE BALTIC—Imported grains were mostly easier under bearishly construed U.S. crop statistics and business remained quiet. U.K. produced barley, however, continued to attract active export interest.

WHEAT—U.S. Dark Northern Spring No. 2, 14 per cent. Aug. and Sept. £86.00 quoted, Nov. £85.60, Dec. £84.30, direct Tilbury sellers. [illegible]

[illegible]

WOOL FUTURES

[illegible]

MEAT/VEGETABLES

[illegible]

Per 20-24, 1.50-2.00. Peas—Per 20 lbs 1.70. Mushrooms—Per pound 0.30-0.40. Cabbages—Per bag, Primo 1.00. Marrows—Per 18 0.80. Cauliflowers—Per 12 0.50-1.00. Beetroot—Per 18 lbs 1.20. Tomatoes—per 12 lb 0.07-0.12. Runner beans—per pound 0.07-0.10. Onions—per 56 lbs 2.40-2.50. Apples—per pound Grenadiers 0.05-0.06, Bramleys 0.09-0.10, George Cave 0.08-0.10, James Grieve 0.09. Courgettes—per 12 lbs 0.30-0.60. Carrots—per 56 lbs [illegible]

JUTE

LONDON—Quiet. Bangladesh White "C" grade August-Sept. £193, "D" grade August-Sept. £186. A long ton.

CALCUTTA—Quiet. Indian August Rs.460. Dundee Daisee August Rs.450 values. A bale of 400 lbs.

DUNDEE—Quiet. Prices c. and f. for Aug./Sept. shipment. BWB £193, BWC £188, BWD £181. Tossa: BTB £197, BTC £190, BTD £183. Calcutta goods steady. Quotations c. and f. U.K. for Aug. shipment: 10-oz 40-in £8.73, 7½-oz £5.13 per 100 yards. Sept. £8.85 and £5.22, Oct./Dec. £7.12 and £5.45. "B" twills: £21.44, £21.31 and £21.71 for the respective shipment period. Yarns and cloths very quiet.

COTTON

LIVERPOOL COTTON—Spot and shipment sales amounted to 118 tonnes, bringing the total for the week so far to 129 tonnes. A slow call for deliveries resulted in only a minor off-take. African and Middle Eastern qualities provided the bulk of the off-take. F. W. Tattersall reports.

*

COPRA—Philippines: Aug.-Oct. $338 resellers per tonne c.i.f. North European ports.

*

HIDES—Birmingham. Second clear ox 31-35½ kilos 27.9p per kilo; 26-30.5 kilos 34.6p; 22-25.5 kilos 26.3p. Light cows 21.1p. No calf offered.

More damage to Argentine sugar cane

ARGENTINA, August 12.

FURTHER DAMAGE to sugar cane was reported by the Argentine Agricultural Technology Institute here following frosts in the area last Friday and Saturday.

The independent Cane Growers' Association estimated last week that around 1m. tonnes of cane had been lost due to frost.

Last year Tucuman produced 657,000 tonnes of Argentina's total output of 1.43m. tonnes of raw sugar.

The sugar cane harvest will probably be cut short by two months this year, the equivalent of not harvesting 3m. rows, according to a report issued by the institute's experimental station at nearby Famailla.
Reuter

HIGHER U.S. BEET OUTPUT FORECAST

WASHINGTON, August 12.

U.S. production of sugar beet this year is forecast at 28,092,000 short tons, against 22,118,000 in 1974, the U.S. Department of Agriculture says in its preliminary report.

This reflects a 24 per cent. rise in acreage for harvest—1,501,800 acres against 1,212,600 last year—and a slightly higher average yield—18.7 tons per harvested acre against 18.2.

Sugar cane output for sugar and seed is expected to rise to 28,542,000 short tons (from 24,973,000 last year) from a harvested area of 777,800 (732,800) and a yield per acre of 36.7 tons (34.1).
Reuter

PRICE CHANGES

Prices per ton unless otherwise stated.

	Aug. 11 1975	+ or —	Month ago
Metals			
Aluminium (a)	£396	......	£396
Free Market cif	£540-560	+5.0	£505-515
Copper			
Cash Wire Bars (a)	£602.5	+2.25	£560
3 month do. do. (a)	£623.25	+1.5	£578.75
Cash Cathode (a)	£591.25	+2.75	£548.5
3 months do. (a)	£611.75	+2.25	£566.75
Gold Troy oz.	$164.1	+1.85	$165.25
Lead Cash (a)	£184	+1.5	£163.5
3 months (a)	£191.75	+2.0	£169.75
Nickel (a)	£1,958	......	£1,958
Free market cif (lb)	$1.75-.85	......	$1.75-.80
Platinum troy oz.	£81-85	......	£72-76
Free Market	£80.6	—0.7	£71.2
Quicksilver (76 lb) (c)	$112-118	......	$107-112
Silver Troy oz.	235.7p	—1.7	211p
3 months	245.3p	—1.7	216.2p
Tin Cash (a)	£3,227	—2.0	£3,087
3 months (a)	£3,265	—1.5	£3,088.5
Wolfram 22.04lb cif	$40.5-42	......	$37-38.5
Zinc Cash (a)	£344.5	—1.0	£321.5
3 months (a)	£355.875	—0.25	£323.25
Producers (a)	£360	......	£360
Oils			
Coconut Malayan	......	......	£160*
Groundnut	......	......	......
6%	£457	—25	£382
Linseed Crude (a)	£452	......	......
Palm Malayan (a)	......	......	£166
Soyabean (a)	......	......	......
Seeds			
Copra Philipp ton	£235	—5	$240
Gr'nuts Nigerian	£182	......	......
Linseed Can. No. 1	£179	—6	£167.5
Grains			
Barley EEC	£62.2	......	£64
Home Futures	£62.5	—0.85	£56.55
Maize			
French No.3 Am.	£66.5	......	£58
S.A. Yellow	......	......	£66
Wheat			
No. 1 Red Spring	......	......	......
No.2 Hard Winter	......	......	......
Australian (f.a.q.)	......	......	......
English Milling	£63.5r	......	£59
Cocoa Shipment (a)	£708.5	—1.5	£658
futures Dec	£585.5	—3.25	£578.5
Coffee Shipment (c)			
futures Nov. (Ufo)	£751.25	—9.25	£482.25
Cotton 'A' Index			
cent	55.35	......	54.1
Jute LJABWC (d)	£195	......	£200
Rubber kilo	36.0p	......	36.0p
Sisal EASL (a)	$500	......	$600*
Sugar (Raw)	£215	—8	£183
Woollops 64s kilo	186p	......	188p
Clove (Madagaskar)	£2,550	......	£2,550
Pepper White ton	£910	+5	£890
Black ton	£700	......	£670

* Nominal. † Seller. ‡ Unofficial close. ¶ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C". ‡ Unquoted. a Seller's quotation. h August. k Aug.-Sept. m Metric tons. r September. v Aug.-Oct. s July-Aug. t Nov. e May-June. w Nov.-Jan.

FINANCIAL TIMES

Aug. 12	Aug. 11	Month ago	Year ago
183.53	182.01	168.15	211.45

(Base: July 1, 1952=100)

REUTER'S

Aug. 12	Aug. 11	Month ago	Year ago
1167.5	1170.5	1116.6	1288.0

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	Aug. 12	Aug. 11	Month ago	Year ago
Spot	321.43	317.07	302.43	370.44
Futures	305.76	301.10	280.38	353.26

(Average 1924-25-26=100)

MOODY'S

Moody's	Aug. 12	Aug. 11	Month ago	Year ago
Sple Comm'ty	798.9	794.3	777.6	899.5

(Dec. 31, 1931=100)

*

GRIMSBY FISH—Supply fair, demand fair. Prices per stone at ship's side unprocessed: Shelf cod £1.30-£2.20, Codlings £1.05-£1.70, Large haddock £2.80, medium £2.00-£2.40, small £1.40-£2.00, Large plaice £3.50, best small £2.88, Skinned dog fish £4.25, Coalfish 80p-85p, Rockfish £1.00-£1.30, Lemon soles £3.80, Reds £1.00-£1.10.

U.S. Markets

New Soviet crop report lifts grains

NEW YORK, Aug. 12

SILVER advanced in response to strong grain action. Cocoa finished mixed in featureless trading. Trade buying pushed sugar higher. Chicago grains closed higher on commercial and Commission House buying in light of a downward revision of Soviet grain production, Bache reports.

Cocoa—Ghana spot 75 (same). Bahia spot 63 (same). Sept. 59.00 (55.65), Dec. 53.00 (52.80), March 50.65, May 49.65, July 49.00, Sept. 45.45, Dec. 47.95. Sales 1,252.

Coffee—Spot Santos No. 4 unquoted (same). Colombian Mams 103.00 asked (same). C Contract: Sept. 87.25-83.70 (87.00), Nov. 83.40 nom. (83.35), Dec. 82.40-82.30, March 82.70-82.75, May 80.00, July 84.00 nom. Sales, 336.

Copper—Aug. 58.60 (58.40), Sept. 58.80 (58.60), Oct. 59.40, Dec. 60.30 setts. Sales, 1,770 lots.

Cotton—Oct. 50.70-50.75 (49.43), Dec. 51.07-51.10 (49.70), March 51.95, May 52.45-52.50, July 53.00, Oct. 53.50 bid, Dec. 53.77-54.00. Sales, 1,649.

Gold—Aug. 163.80 (162.10), Sept. 164.60 (163.10), Oct. 165.70, Dec. 168.40, Feb. 171.50, April 174.50, June 177.50, Aug. 180.50, Oct. 183.50, Dec. 186.50. Sales, 995.

Greasewool—Spot 15.00 nom. (145.00 nom.), Oct. 15.00-15.70 (14.70), Dec. 15.20-15.70 (15.10), March 152.0-155.5, May 151.0 bid, July 150.0 bid, Oct. 150.0 bid, Dec. 150.0 bid.

†Lard—Chicago loose 30¼ nom. (same), NY prime steam 38 nom. (same).

††Maize—Sept. 314-312 (307-308½), Dec. 306½-307½ (295½-297½), March 315½-316, May 319-320, July 321.

‡Platinum—Oct. 171.50 (170.50), Jan. 176.00 (174.50), April 180.70 bid, July 184.90 bid, Oct. 189.10-189.30, Jan. 193.70-193.90. Sales, 215.

‡‡Silver—Spot 506.30 (500.00), Aug. 507.00 (495.40), Sept. 510.00 (501.50), Oct. 514.60, Dec. 524.00, Jan. 528.40, March 537.10, May 545.20, July 553.20, Sept. 561.20, Dec. 573.40, Sales, 10,731.

*Soyabeans—Aug. 605-602 (597), Sept. 610-613 (595½), Nov. 614-612, Jan. 621-622, March 631-632, May 640, July 644, Aug. 644.

hSoyabean Meal—Aug. 122.50-133.00 (122.20), Sept. 137.50-138.00 (128.90), Oct. 140.50-141.00, Dec. 145.50-145.00, Jan. 147.50, March 152.70-143.00.

Soyabean Oil—Aug. 29.60-29.50 (25.65), Sept. 28.45-28.35 (27.60), Oct. 27.55-27.60, Dec. 26.50-26.55, Jan. 26.05, March 25.70-25.50, May 25.35-25.50, July 25.20 bid, Aug. 24.55 bid.

Sugar—Spot 20.00 (same). Sept. 20.10-20.30 (19.40), Oct. 19.70-19.60 (19.01), Jan. 19.25 nom., March 18.95-19.00, May 18.67, July 18.10-18.40, Sept. 18.05, Oct. 18.00. Sales, 7,890.

Tin—322.50-389.00 asked (322.50-297.00 asked).

**Wheat—Sept. 397½-393 (384-387), Dec. 409½-405½ (400-399), March 423½-423, May 424½, July 406½.

WINNIPEG, Aug. 12. ††Rye—Oct. 303½ bid (297½), Dec. 296½ bid (286½), May 297½ bid, July 293 bid.

cOats—Oct. 171½ bid (163½), Dec. 167 bid (159), May 165½ bid.

§Barley—Oct. 264 (256½), Dec. 259 (252); May 257 bid.

¶Flaxseed—Oct. 860 bid (830), Nov. 841 bid (811), Dec. 831 bid, May 820 bid, July 750 bid.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 5.52 (5.53).

All cents per pound ex-warehouse unless otherwise stated. *Cents per 60-lb bushel ex-warehouse. ‡ $'s per troy ounce—100-ounce lots. † Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡‡ Cents per troy ounce ex-warehouse. h New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Decatur and Illinois. ‡ $'s per troy ounce for 50 ounce units of 99.5 per cent. purity delivered NY. **Cents per 60-lb bushel in store. ††Cents per 56-lb bushel ex-warehouse 5,000 bushel lots. c Cents per 34-lb bushel. § Cents per 48-lb bushel ex-warehouse. 5,000 bushel lots. ¶ Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

COMPANY NOTICES

DISCOUNT BANK INVESTMENT CORPORATION LTD.

In accordance with a resolution passed at the Annual General Meeting of the above Company held on 23th May, 1975 a bonus issue of 1 new Ordinary Bearer Share of I L 5 for every 10 Ordinary Bearer Shares of I L 5 nominal already held will be made to Shareholders.

Holders of these Bearer Shares should therefore present Coupon No. 22 in order to claim their entitlement at:—
S. G. Warburg & Co. Ltd.,
Coupon Department,
St. Albans House,
Goldsmith Street,
London, EC2P 2DL
S. G. WARBURG & CO. LTD.
13th August, 1975

PUBLIC NOTICE

CLWYD COUNTY COUNCIL BILLS

£1m. Bills issued 12.8.75, maturing 11.11.75 @ 10[illegible] per cent. Applications totalled £5,500,000 and there are £3m. Bills outstanding.

STOCK EXCHANGE REPORT

Gilts good and rally in equity markets continues

Share index up 6.7 at 290.0—Commercial Union steadier

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
July 28	Aug. 7	Aug. 8	Aug. 19
Aug. 11	Aug. 20	Aug. 21	Sep. 2
Aug. 22	Sep. 4	Sep. 5	Sep. 16

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

The main feature of stock markets yesterday was the marked turnround in Gilt-edged stocks following sterling's better performance on foreign exchange markets and the lower U.S. Treasury bill rates. Closing gains extended to a point and occasionally more and the Government Securities index moved up 0.64 to 60.16.

Encouraged by the strength of Gilts, the recent technical rally in equities gathered momentum and, although below the best, leading industrials finished with fresh rises ranging to 8 or so. The FT 30-share index, which touched its highest of the day at 1 p.m. with a gain of 9.1, ended a net 6.7 higher at 290.0. Once again, demand was very modest, stock shortage being the main factor behind the fresh improvement. The continuing low level of activity was mirrored in official markings of 4,208 compared with 4,488 on Monday and 3,359 a week ago.

Secondary issues also made a firm showing, but rises were mostly minor. Nevertheless, gains outnumbered falls by about 3—1 in FT-quoted Industrials. Composite Insurance shares rallied partially after the previous day's setback which followed news of Commercial Union's large U.S. underwriting losses.

Gilts quite strong

Lower U.S. Treasury bill rates and the hope there that the rise in Prime rates may have peaked out contributed, with American financial comment of a favourable nature about the future course of sterling, to the better sentiment in Gilt-edged. The day began slowly, but buyers gradually became interested and in the late afternoon a particularly heavy bout of trade furthered gains at the longer end to a point and more. These were pared marginally "after hours" when following a long period of suspended animation, a trading level was finally established with the Government broker for the short "tap," Treasury 9 per cent., 1980, at about 91¼. This tended to dampen enthusiasm throughout the market. Earlier, the Government broker had indicated that a higher price was necessary for supplies of the special Treasury 3 per cent., 1977, "A" issue, up 3/32 at 88, which could be very near exhaustion.

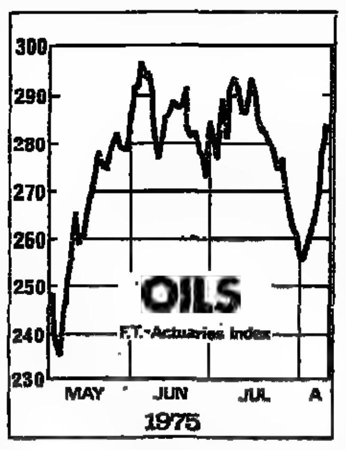
Inactive conditions persisted in the investment currency market and with sterling having a slightly better day the premium drifted down 1¼ to 94¼ per cent. Yesterday's SE conversion factor was 0.6369 (0.6326).

Composites pick up

A weak market on Monday following the poor interim results from Commercial Union, which revealed heavy underwriting losses, Insurance Composites picked up yesterday on small demand *in a market short of stock.* Down 13 on Monday, Commercial Union eased initially to 130p, but rallied to 135p before closing 2 better on balance at 133p. With interim results due to-day, General Accident improved 2 to 133p, while Sun Alliance, 362p, and Guardian Royal Exchange, 176p, picked up 3 and 6 *respectively.* Eagle Star hardened 4 to 107p. Elsewhere, Pearl closed 4 better at 192p.

A small demand in a market short of stock was enough to leave Barclays, 250p, with a gain of 12. Midland put on 8 to 230p and Lloyds rallied 7 to 192p, while National Westminster improved 3 to 202p. Bank of Scotland *gained 5 to 220p and* Bank of Ireland rose 13 to 315p. Hongkong and Shanghai improved 9 to 221p in Foreign issues. Merchant banks found light support with Kleinwort Benson 6 dearer at 98p. Improvements of around 4 were seen in Guinness Peat, 138p, and Hambros, 187p. Slater Walker hardened 3 to 64p.

Breweries closed firmer throughout the list on small buying in a short market. Bass Charrington gained 4 to 79p,



while rises of about 3 were scored by Arthur Guinness, 108p, Greenall Whitley, 54p, and Whitbread "A," 53½p. Allied edged forward 2 to 59p. Elsewhere, Distillers ended 4 dearer at 106p, after 107½p.

Buildings shrugged aside the problems facing the industry and made a modest recovery. Associated Portland Cement improved 6 to 134p, while Taylor Woodrow, 225p, and Tarmac, 115p, put on 5 apiece. Higgs and Hill were 4 better at 32p as were Geo. Wimpey at 90p. H. and R. Johnson-Richards Tiles responded to the chairman's statement with a gain of 2 to 90p, while Ward Holdings picked up a like amount at 17p despite the first-half profits setback. Redland *hardened 2 to 71p following Press* comment on the full report, but *Ellis and Everard lost 2 more at* 95p on further consideration of the results.

After reaching 252p, ICI faltered late to close 4 better on balance at 250p. Fisons improved 8 to 343p.

Stores lively

The better-than-expected retail sales figures for June gave a fillip to Stores, which closed at or near the day's best following a good turnover. F. W. Woolworth featured with a rise of 3 to 43½p: the interim statement is expected August 20. British Home Stores advanced 7 to 287p, Marks and Spencer, 4 to 97p, and "Gussies" "A," 5 to 156p. House of Fraser were raised 3 to 69p, while other firm spots took in Dixon's Photographic, 2 better at 33p, and Mothercare, 4 higher at 148p. Empire Stores were the only noteworthy spot in Mail Orders, the *Ordinary and the new nil-paid* both closing 3 better at 63p and 37p premium respectively.

Electrical leaders made further progress, helped by a few sizeable buying orders, but failed to hold the day's best. Thorn Electrical were outstanding with a rise of 10 to 156p in a market rather *short of stock, while EMI finished* 4 firmer at 169p. Net improvements of 2 were seen in GEC, 116p, after 117p, and BICC, 104p, after 108p. Awaiting to-morrow's half-time figures, Philips' Lamp came back 17 to 713p, more in reflection of the downturn in the investment premium. Secondary issues took on a firmer look, with Decca "A" improving 6 to 168p and Racal Electronics 5 to 154p. Energy Services and Electronics, in further reaction to last week's poor results, halved in price to a 1975 low of 1½p.

Acrow were one of few features in Engineering, the "A" shares of which rose 5 to 63p in response *to the impressive results. Demand,* possibly aroused by the recent *£250,000 Shell contract, in a thin* market raised Automatic-Oil 6 to 35p, Glynwed gained 3 to 71p and Simon 3 to 93p. Leading issues with the exception of Vickers, which gained 5 to 120p, lost early impetus to close only marginally higher or unchanged. Hawker, for instance, improved 2 to 252p, after 236p. Elsewhere, the higher dividend forecast helped Wellman hardened ½ to 25p, but Francis Industries eased 1 to 17p on news that the proposed deal with Evered had been called off.

Tate and Lyle led a fresh advance in Foods, rising 8 to 182p. Cavenham hardened 2 to 121p, while Spillers, 34p, and Brooke Bond, 33p, put on a penny apiece. Gains of 4 were seen in United Biscuits, 96p, and Associated Dairies, 155p, while Rowntree Mackintosh were raised 3 to 124p. J. E. Sanger, still reflecting trading news, moved up 3 more to 39p. Supermarkets made modest headway. Gateway Securities "A" firmed a penny to 27p following Press comment on the results.

J. Lyons "A" continued firmly, advancing 4 more to 130p for a two-day gain of 10. Record holiday bookings within the industry helped Pontin's to harden 1½ to 21p, while Grand Metropolitan, 59p, and Trust Houses Forte, 91p, put on 2 apiece.

Renwick weaken

Miscellaneous Industrial leaders pushed ahead further during a moderate business. Metal Box and Pilkington both recorded advances of 9 at the common price of 211p, while Boots finished 8 to the good at 108p, after 110p, and Beecham 6 firmer at 268p, after 270p. Unilever, 330p, also scored an improvement of 6 awaiting to-day's half-time figures. Glaxo were finally 5 higher at 340p, after 345p, and Bowater 4 up at 142p, after 144p. The increased profits helped "Suits" to gain 2½ at 37½. Elsewhere, Renwick Group made a weak showing at 17p, down 3, reflecting the gloomy preliminary results. Their respective uninspiring half-time results, left Securicor Group 3 down at 63p and Security Services 7 cheaper at 63p. On the other hand, Dawson and Barfos, responded to the preliminary statement with a gain of 2 at 33p, while the chairman's statement with the full report left Airfix non-voting 1½ up at 52p. Cawoods, after the previous day's gain of 5, hardened 2 more to 122p on the increased profits. BTR, 123p, and new, 33p premium, closed about 6 firmer.

After Monday's quiet debut, British Leyland were marked down to 28p before rallying to close 5 better on balance at 32½p. Other Motors and Distributors closed modestly better. Lucas Industries ended 2 up at 102p, after 104p.

North Sea enthusiasm flickered in both Thomson, 4 up at 155p, and Associated Newspapers, which gained 3 to 89p, but there was little else of note in the sector. Paper/Printing features in*cluded DRG, 3 better at 93p, and* Bunzel Pulp, 4 dearer at 80p, while David S. Smith hardened 1 to 24p on the increased dividend and profits. Inveresk remained in demand at 48p, up 1½ more. Following receipt of the dividend from the Portuguese operating subsidiary which has prompted the board to consider a second interim dividend, Eucalyptus Pulp rose 5 to 27p.

There was again a reasonable business transacted in the Property leaders; after gaining a little more ground, however prices went easier late on news of the poor response to the English Property "rights" offer of 12 per cent. Convertible Loan stock. EP were finally unaltered at 44p, after having touched 46p, while Town and City Properties ended just a fraction up at 16½p, after 17½p, and Land Securities 2 off at 139p, after 142p. A report that Royal Insurance was not interested in making a bid for the company failed to deter take-over speculation in MEPC, which improved further to 82p after Monday's gain of 6; however, the shares came back "after-hours" with the general trend to end 3 easier on the day at 78p. Small gains were in the majority in secondary issues. Nolton Estates moved up 6 to 60p in a thin market following the full report. Great Portland Estates improved 6 to 175p, while Churchbury Estates, still on take-over hopes, ended 3 higher at 138p, after 140p. The half-year statement left Aquis Securities unmoved at 11p.

Oils advance anew

Business was again one-way for much of the day in the Oil leaders, but it became more evenly balanced late and, as a result, the price gains were pared. Middle East hopes were obviously an influence and British Petroleum rose to 512p before closing a net 10 higher at 508p, while Shell, still mirroring the second-quarter results, advanced 5 more to 317p, after 320p. Awaiting to-day's second-quarter figures, Ultramar improved 4 further to 194p, after 198p, but Attock were little affected by the reconstruction proposals, hardening only 1 to 60p. In the overseas sector, Siebens (U.K.) rose 20 to 680p, but Associated Australian lost 5 to 105p.

Overseas Traders improved in places. Booker McConnell responded to buying in a thin market with a rise of 7 to 135p. Inchcape closed similarly firmer at 360p, while Harrisons and Crosfield added 25 at 925p.

Trusts and Financials gave a much firmer performance. Hothlyn "A" and "B" shares rose 8 to the common level of 48p on the disclosure that its associated concern, Hume Holdings (3 down at 40p) has agreed to sell its entire shareholding (46.9 per cent.) in Hothlyn to a private Australian buyer. Small buying in a thin market took Caledonia Investments 8 higher to 145p, while improvements *of 7 and 10 respectively* were marked against Dalgety, 178p and Dualvest Capital, 107p.

Trade slackened in Shippings where the closing trend was mixed.

Up 4 on Monday following small buying in a market short of stock, Courtaulds improved further to touch 117p before closing a penny harder on balance at 115p. Elsewhere, in firm Textiles, favourable Press comment ahead of to-morrow's preliminary results helped Radley Fashions improve 2 to 32p, while Illingworth Morris and Tootal were both similarly better at 17p and 30p respectively. Nottingham Manufacturing improved 2½ to 47½p in front of to-day's half-year figures. Coats Patons found support at 44½p, up 2.

Golds recover

Monday's technical rally was taken a stage further in Tobaccos. Bats improved 3 more to 273p as did Imps to 65p.

Guthrie put on 5 to 145p in Rubbers, and Anglo-Indonesian edged forward a penny to 34p, the latter following the chairman's encouraging statement.

Encouraged by the rally in the bullion price, Gold shares moved quietly higher throughout the day with the upward movement quickening in "after-hours" trading when U.S. demand was encountered. The metal price ended $1.35 up at $164.10 per ounce while the Gold Mines Index recouped 3.8 at 356.7.

Rises in the heavyweights ranged to a half-point in, among others, Western Deep (£19½) and President Brand (£25¼), while of the lower priced issues "Sallies" put on 30 to 520p.

Financials ended showing mixed fortunes although the London-based issues were firmer, reflecting the rise in the U.K. Industrial market. Gold Fields were 5 harder at 235p and Charter added 3 at 177p.

"Johnnies," however, came back *a half-point to £24¼ on con*sideration of the further decline in Platinum issues where, owing to lack of the recent Cape demand, Potgietersrust fell a further 7 to 235p.

Despite rather indecisive home markets overnight and the easier investment dollar premium, Australian issues managed scattered *gains with Pancontinental* leading the way rising 50 to a year's high of 580p. Ocean Resources were 3 harder at 25p.

Tins were firmer where changed, Sungei Besi being unaltered at 60p in front of the chairman's statement which is detailed in Mining News. Coppers were little tested apart from Palabora which fell 50 to *920p following the sharply* lower half-year profits.

FINANCIAL TIMES STOCK INDICES

—	Aug. 12	Aug. 11	Aug. 8	Aug. 7	Aug. 6	Aug. 5	A year ago
Government Secs.	60.16	59.52	59.73	59.53	60.27	60.47	54.65
Fixed Interest	59.93	59.54	59.87	59.92	60.37	60.29	54.89
Industrial Ordinary	290.0	283.3	278.8	277.7	287.2	289.6	224.3
Gold Mines	356.7	352.9	360.4	357.5	358.1	363.5	361.9
Ord. Div. Yld. %	7.10	7.26	7.56	7.39	7.17	7.11	8.89
Earnings Yld. % (full) (c)	20.49	20.95	21.25	21.35	20.68	20.51	23.89
P/E Ratio (net) (a) (b)	6.96	6.81	6.71	6.69	6.90	6.95	5.85
Dealings marked	4,208	4,478	4,539	4,099	3,887	3,559	5,259
Equity turnover £m	—	31.07	45.27	45.83	37.88	40.13	26.99
Equity bargains total	—	9,625	11,004	10,143	9,740	9,023	9,039

10 a.m. 285.6 11 a.m. 289.5 Noon 291.2 1 p.m. 292.4
2 p.m. 292.3 3 p.m. 291.7
Latest Index 01-246 8026.
(a) Based on 52 per cent. corporation tax. (b) Nil=6.92.
Basis 100 Govt. Secs. 15/1/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.34 (20/3)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.51 (21/3)	50.63 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	365.3 (5/6)	146.0 (6/1)	543.6 (13/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5)	280.2 (30/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	Aug. 12	Aug. 11
Daily —		
Gilt-Edged	110.5	146.2
Industrials	141.4	145.7
Speculative	45.0	50.6
Totals	95.8	101.9
5-day Average		
Gilt-Edged	125.3	128.4
Industrials	142.1	136.5
Speculative	44.0	42.5
Totals	96.6	93.6

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section.

Tuesday, August 12, 1975: Index No.; Day's Change %; Est. Earnings Yield % (Max) Corp. Tax 52%; Gross Div. Yield % (ACT at 35%); Est. P/E Ratio (net) Corp. Tax 52%; Est. P/E Ratio (nil) Corp. Tax 52%. Monday August 11, Friday August 8, Thurs. August 7, Wed. August 6, Year ago (approx.): Index No. Highs and Lows Index: 1975 High, Low; Since Compilation High, Low.

	Group	Index No.	Day's Change %	Est. Earnings Yield %	Gross Div. Yield %	Est. P/E (net)	Est. P/E (nil)	Mon. Aug. 11	Fri. Aug. 8	Thurs. Aug. 7	Wed. Aug. 6	Year ago	1975 High	1975 Low	Since Comp. High	Since Comp. Low
1	CAPITAL GOODS (179)	104.71	+1.8	22.05	7.70	6.74	6.74	102.85	101.78	102.81	105.01	80.95	131.26 (6/6)	51.78 (6/1)	206.57 (4/5/72)	15.70 (13/12/74)
2	Building Materials (30)	91.64	+3.6	19.07	8.61	7.60	7.79	88.47	88.12	88.65	89.22	80.08	117.40 (22/4)	45.11 (6/1)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	172.49	+2.4	20.95	5.29	7.18	7.18	168.39	172.87	177.17	180.75	127.75	261.61 (23/4)	74.74 (6/1)	389.33 (19/5/72)	71.48 (12/12/74)
4	Electricals (17)	198.84	+1.2	20.55	5.63	7.15	7.14	196.49	191.80	194.75	202.55	148.93	234.64 (6/6)	98.49 (2/1)	350.04 (4/5/72)	84.71 (25/6/65)
5	Engineering (Heavy) (13)	123.71	+1.6	27.51	8.78	5.54	5.54	121.79	119.87	121.34	125.35	92.51	159.79 (22/4)	64.39 (2/1)	202.57 (3/5/72)	64.39 (2/1/75)
6	Engineering (General) (64)	91.71	+1.4	25.69	8.95	6.25	6.25	90.45	89.58	89.76	91.80	67.89	117.40 (6/6)	45.43 (6/1)	168.69 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (9)	37.86	+1.3	20.59	10.88	5.86	5.86	37.38	37.27	37.60	38.15	29.20	48.98 (20/6)	20.11 (2/1)	156.70 (4/7/69)	19.96 (13/12/74)
8	Miscellaneous (23)	94.41	+1.0	25.74	8.30	5.81	5.81	93.44	92.74	92.86	93.54	74.80	121.76 (6/6)	49.65 (6/1)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (57)	81.42	+3.5	22.19	7.55	6.58	6.57	78.64	78.75	78.80	80.54	66.71	95.15 (6/6)	38.59 (6/1)	227.78 (21/4/72)	38.59 (6/1/75)
10	Electronics, Radio TV etc. (15)	95.78	+4.2	20.58	5.55	7.18	7.18	91.93	91.61	91.51	93.66	75.75	106.34 (6/6)	44.38 (6/1)	257.41 (19/5/72)	42.65 (12/12/74)
11	Household Goods (15)	122.24	+1.6	21.86	8.58	6.66	6.66	120.50	121.41	123.46	123.42	108.87	146.90 (23/4)	64.63 (6/1)	253.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (27)	42.69	+5.5	25.57	10.88	5.66	5.63	41.50	41.79	41.87	42.66	36.72	50.91 (6/6)	19.91 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	119.11	+3.7	16.80	7.08	8.59	8.55	114.89	115.72	114.65	117.53	88.55	146.45 (6/6)	61.98 (6/1)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (16)	133.73	+5.2	14.89	7.60	10.16	10.16	127.08	125.76	127.78	130.92	101.66	163.63 (6/6)	75.58 (6/1)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	131.62	+4.8	14.79	7.70	10.20	10.20	125.59	128.80	128.40	131.54	115.66	177.94 (9/7)	80.42 (6/1)	257.40 (13/7/73)	78.85 (13/12/74)
16	Entertainment, Catering (16)	135.07	+2.9	15.22	8.24	10.17	9.65	131.29	129.24	130.82	134.07	90.52	158.44 (27/6)	55.28 (6/1)	329.99 (12/12/72)	54.83 (9/1/75)
17	Food Manufacturing (22)	127.45	+2.7	16.11	6.26	8.53	8.49	124.10	125.19	124.27	126.01	90.59	156.57 (6/6)	62.05 (2/1)	211.65 (1/5/72)	59.77 (11/12/74)
18	Food Retailing (16)	117.36	+2.5	13.44	5.49	10.64	10.64	114.76	115.19	114.73	117.00	78.65	149.17 (4/6)	57.16 (3/1)	235.08 (15/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	117.56	+1.9	17.85	8.26	8.53	8.53	115.41	114.80	116.38	117.14	105.19	152.14 (6/6)	56.08 (6/1)	260.29 (18/1/72)	56.08 (6/1/75)
20	Packaging and Paper (13)	80.53	+3.6	27.48	9.16	5.34	5.34	77.53	76.85	77.95	78.57	65.59	107.12 (20/6)	43.46 (6/1)	135.69 (26/4/72)	43.46 (6/1/75)
21	Stores (31)	102.77	+4.5	14.04	6.56	10.82	10.82	98.31	96.85	97.38	100.86	78.59	132.94 (20/6)	52.63 (6/1)	204.39 (15/8/72)	52.63 (6/1/75)
22	Textiles (23)	124.35	+5.8	28.09	8.62	4.30	4.20	119.75	117.60	118.00	120.66	102.47	145.07 (27/6)	62.91 (6/1)	253.72 (17/8/63)	62.66 (11/12/74)
23	Tobacco (3)	175.30	-3.1	19.00	7.66	8.00	8.00	169.97	168.57	169.52	174.34	126.97	199.16 (10/3)	109.92 (6/1)	339.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	40.89	+1.3	32.00	8.85	4.29	4.29	40.37	40.62	41.14	41.14	33.06	44.06 (6/6)	20.92 (6/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (92)															
25	Chemicals (24)	157.44	+2.5	22.11	6.82	6.48	6.48	153.65	151.65	152.72	155.39	111.99	189.17 (6/6)	75.14 (6/1)	201.92 (31/1/69)	71.20 (11/12/74)
26	Office Equipment (10)	70.30	+3.2	19.88	7.41	6.97	6.97	68.15	68.47	69.73	71.60	80.95	104.78 (17/4)	45.34 (2/1)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (12)	517.90	+1.4	27.03	7.66	4.77	4.62	515.65	516.20	521.17	525.88	267.67	401.84 (10/3)	194.38 (6/1)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (46)	121.00	+2.9	22.33	8.26	6.55	6.55	117.63	116.16	117.00	119.92	97.46	153.56 (6/6)	60.39 (6/1)	258.85 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	116.50	+3.0	19.70	7.17	7.38	7.32	113.14	112.07	113.00	115.68	89.11	143.48 (6/6)	59.19 (6/1)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	283.51	+1.8	25.96	5.55	4.13	3.85	278.47	269.87	264.64	261.16	169.69	296.47 (4/6)	105.83 (2/1)	431.66 (29/5/68)	87.23 (29/5/62)
31	500 SHARE INDEX	130.26	+2.8	20.75	6.86	6.60	6.36	126.74	125.08	126.55	127.77	95.98	156.14 (6/6)	63.49 (6/1)	227.95 (18/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	114.20	+2.5	—	6.27	—	—	111.43	111.75	112.08	113.67	88.26	148.46 (20/6)	56.50 (6/1)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	134.10	+3.8	23.06	5.92	6.68	6.52	129.23	126.72	126.49	130.01	106.78	177.11 (5/6)	62.56 (2/1)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (9)	135.45	+0.1	—	8.93	—	—	135.35	136.05	136.99	137.45	108.76	169.27 (7/3)	84.13 (6/1)	293.13 (2/6/72)	81.40 (10/12/74)
35	Hire Purchase (5)	86.33	+0.3	28.91	10.50	4.60	4.21	86.04	85.52	86.81	88.30	94.71	134.39 (10/3)	42.81 (6/1)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	[illegible]														
37	Insurance (Composite) (7)	[illegible]														
38	Insurance (Brokers) (8)	[illegible]														
39	Merchant Banks (19)	[illegible]														
40	Property (32)	[illegible]														
41	Miscellaneous (5)	[illegible]														
42	Investment Trusts (50)	139.75	+0.3	3.55	5.03	28.15	28.17	139.57	139.57	140.77	142.46	156.78	[illegible]	[illegible]	[illegible]	[illegible]
43	ALL-SHARE INDEX (650)	126.56	+2.6	—	6.64	—	—	123.59	123.26	122.73	124.82	94.54	154.09	62.16	228.18	61.92
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (10)	395.46	+1.7	14.35	8.33	10.12	10.05	388.74	390.58	395.73	395.96	311.59	[illegible]	[illegible]	[illegible]	[illegible]
45	Teas (10)	101.67	—	35.61	10.25	[illegible]	[illegible]	101.67	101.78	102.10	101.48	78.73	[illegible]	[illegible]	[illegible]	[illegible]
46	Coppers (3)	376.34	—	26.18	20.07	1.92	1.92	376.34	374.94	364.41	372.56	580.71	[illegible]	[illegible]	[illegible]	[illegible]
47	Mining Finance (11)	122.10	-0.3	10.04	4.33	10.94	10.94	122.48	123.65	121.12	122.99	89.79	[illegible]	[illegible]	[illegible]	[illegible]
48	Tins (8)	66.77	+1.3	11.75	5.65	10.96	9.41	65.93	65.97	66.77	66.99	69.30	[illegible]	[illegible]	[illegible]	[illegible]
49	Overseas Traders (13)	201.27	+0.4	17.25	4.91	7.42	7.41	193.44	196.63	199.21	203.42	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

		Tues., August 12 Index No.	Yield %	Monday August 11	Friday August 8	Thurs. August 7	Wed. August 6	Tues. August 5	Monday August 4	Friday August 1	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	14.09	14.28	14.17	14.26	15.96	13.95	13.85	13.93	15.76				
2	20-yr. Govt. Stocks (6)	50.09	13.00	49.37	49.63	49.43	50.29	50.60	50.89	50.61	49.57	[illegible]	[illegible]	[illegible]	[illegible]
3	20-yr. Red. Deb. & Loans (15)	47.48	15.52	47.75	47.89	47.89	48.02	47.98	47.98	47.64	44.21	[illegible]	[illegible]	[illegible]	[illegible]
4	Investment Trusts Prefs. (15)	45.89	15.04	45.98	45.70	46.70	46.62	46.63	46.53	46.85	41.36	[illegible]	[illegible]	[illegible]	[illegible]
5	Coml. and Indl. Prefs. (20)	66.63	14.12	66.58	67.31	67.47	68.02	67.58	67.70	67.71	56.63	[illegible]	[illegible]	[illegible]	[illegible]

Section or Group / Base Date / Base Value: [illegible]. † Redemption yield. Calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer. A list of the constituents of the FT-Actuaries Share indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by inland post 24p. Commonwealth 33p. Foreign 33p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
ICI	£1	15	250	+4	302	118
Shell Transport	25p	12	317	+5	343	118
BTR 'New'	Nil/pd.	11	33*	+5½	33½*	21*
BP	£1	11	508	+10	550	190
Hanson Tst. 'New'	Nil/pd.	10	60½*	+5½	61*	48*
Midland Bank	£1	10	230	+8	305	123
Barclays Bank	£1	9	250	+12	325	112
Distillers	50p	9	106	+4	130	65½
Scot. & New. 'New'	Nil/pd.	9	5½*	+2½	6*	1*
Beecham	25p	8	268	+6	310	116
GUS 'A'	25p	8	156	+5	226	58
Marks & Spencer	25p	8	97	+4	129	47½
Ultramar	25p	8	194	+4	212	61
"Bats" Defd.	25p	7	273	+3	338	164
British Leyland	50p	7	32½	+5	34	20

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e). * Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Aug. 5	Aug. 18	Oct. 30	Nov. 11
Aug. 19	Sep. 1	Nov. 13	Nov. 25
Sep. 2	Sep. 15	Nov. 27	Dec. 9

Oil, National Westminster Bank warrants, Burmah Oil, BP, Ultramar, Grand Metropolitan, Dunlop, Shell Transport, MEPC and Lloyds Bank. No "puts" were reported, while "doubles" were arranged in Cavenham warrants, Rank Organisation "A," Burmah Oil, British Land and F. W. Woolworth.

"Calls" were dealt in Barclays Bank, Cons. Gold Fields, Premier

Industrials						Mines	
A. P. Cement	15	[illegible]		[illegible]		[illegible]	
Assoc. Leisure	5	[illegible]		[illegible]		[illegible]	
Barclays Bank	25	[illegible]		[illegible]		[illegible]	
Beecham	25	House of Fraser	8	Unilever	35	Chart'rh'll Fin.	10
Boots Drug	12	Hudson (Wilms)	4	Utd. Drapery	10	Cons Gold	22
Bowaters	16	I.C.I.	21	Vickers	13	De Beers Def.	35
B.A.T.	30	"Imps"	7	Woolworths	6	F. S. Geduld	350
British Leyland	1¼	I.C.L.	7			Great Boulder	12
BSR Int.	5½	Inveresk	7	Property		Hampton Areas	15
Burton 'A'	9	Legal & General	15	Cap. Counties	7	Hampton Prop.	4
Cadburys	6	Lloyds Bank	22	E.P.	11	Kloof	140
Courtaulds	12	"Lofs"	5	Int. Europe	7	Lonrho	13
Debenhams	8	"Mams"	6	Land Securities	22	Loraine	55
Distillers	13	Marks & Sp'ncer	11	Peachey	7	Metals Explor.	8
Dunlop	5½	Midland Bank	25	Town & City	6	Poseidon	68
Eagle Star	13	Nat'l West Bank	22	Town & Comm.	7	Pres. Steyn	275
E.M.I.	17	P & O Dfd.	10			Rio T. Zinc	20
First National	2	Plessey	8	Oils		Welkom	55
G.R.A. Trust	4	R.H.M.	6	Bris. Petroleum	45	West Areas	75
Gen. Accident	16	Rank Org. 'A'	17	Burma Oil	6	Western M'ng	18
Gen. Electric	13	Reed Int'l	25	Shell	30	Zambia Copp.	10
Glaxo	40			Ultramar	21		

NEW HIGHS AND LOWS FOR 1975

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new highs and lows for 1975.

NEW HIGHS (10)

CANADIANS (1) White Pass
ENGINEERING (2) Tobacco ... Associated Industrial
INDUSTRIALS (2) [illegible]
SOUTH AFRICANS (1) [illegible]
TRUSTS (1) [illegible]
MINES (2) [illegible]

NEW LOWS (2)

ELECTRICALS (1) Energy Services
PROPERTY (1) [illegible]

RISES AND FALLS YESTERDAY

	Up	Down	Same
[illegible]			

Railway stamps on sale

FOUR NEW stamps to mark 150 years of public steam railways go on sale to-day.

The 12p stamp shows British Rail's new High Speed Train and the others feature famous locomotives of the past. Stephenson's "Locomotion" — which hauled Britain's first public steam train on the Stockton and Darlington Railway — is on the 7p stamp, the 1876 Waverley Class locomotive "Abbotsford" on the 8p and the Castle Class "Caerphilly Castle" on the 10p.

BASE LENDING RATES

AFI International	10 %
Allied Irish Banks Ltd.	10 %
Anglo-Portuguese Bank	10½%
Henry Ansbacher	10½%
Banco de Bilbao	10 %
Banco de Jerez	10½%
Bank of Cyprus	10 %
Banque du Rhone S.A.	10½%
Barclays Bank	10 %
Barnett, Christie Ltd.	11 %
Bremar Holdings Ltd.	11 %
Brit. Bank of Mid. East	10 %
■ Brown Shipley	10 %
Cayzer, Bowater Co. Ltd.	10½%
Cedar Holdings	10 %
■ Charterhouse Japhet	10 %
C. E. Coates	11 %
Consolidated Credits	12 %
Continental Trade Bk.	10 %
Co-operative Bank	*10 %
Copleys Bank	10 %
Corinthian Securities	10 %
Credit Lyonnais	10 %
F. R. Dawes	11 %
Duboff Brothers	11 %
Duncan Lawrie	10 %
English Transcont.	11 %
First London Secs.	10 %
■ Antony Gibbs	10 %
Goode Durrant Trust	10 %
Greyhound Guaranty	10 %
Grindlays Bank	10 %
■ Guinness Mahon	10 %
■ Hambros Bank	10 %
Hawtin & Partners	11 %
■ Hill Samuel	10 %
C. Hoare & Co.	†10 %
Julian S. Hodge	11 %
Industrial Bank of Scot.	10 %
Jacobs, Kroll	11 %
Keyser Ullmann	10 %
Knowsley & Co. Ltd.	11½%
Lloyds Bank	10 %
London & European	11 %
London Mercantile	10 %
Midland Bank	10 %
■ Samuel Montagu	10 %
■ Morgan Grenfell	10 %
National Westminster	10 %
Northern Comm. Trust	10½%
Norwich General Trust	10 %
Portman Guaranty	11 %
P. S. Refson & Co.	10 %
Rossminster Accept'cs	10 %
Royal Trust of Canada	10 %
Schlesinger Limited	11 %
E. S. Schwab	11½%
Security Trust Co. Ltd.	11½%
Shenley Trust	11½%
Standard & Chartered	10 %
Sterling Credit	11 %
Thames Guaranty	11 %
Trade Development Bk.	10 %
Twentieth Century Bk.	11 %
United Bank of Kuwait	10 %
Wallace Brothers Bank	10 %
Whiteaway Laidlaw	10½%
Williams and Glyn's	10 %
Yorkshire Bank	10 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposits 6¾%.
† 7-day deposits on sums of £10,000 and under 6%, up to £25,000 7% and over £25,000 7½%.
‡ Deposit Base Rate 8½%.
§ Deposit Rate 7½%.

I.G. INDEX
GOLD 163-165

CORAL INDEX
Close 285-290

INSURANCE BASE RATES

† Atlantic Assurance 11½%
* Canton Assurance 8¼%
† Address shown under Insurance and Property Bond table.

MONEY MARKET

Full credit supply

Bank of England Minimum Lending Rate 11 per cent. (since July 25, 1975)

The supply of credit was sufficient to meet the requirements of the London money market yesterday and it was expected that the authorities would not intervene. A surplus of funds however required the Bank of England to sell a small amount *of Treasury bills to the* Discount Houses. Bank balances were run down from Monday, and there was a net market take-up of Treasury bills. A rise in the note circulation, and commercial bill maturities were also against the market's favour. On the other hand Government disbursements outweighed revenue transfers to the Exchequer.

Discount houses paid 9 per cent. to 9½ per cent. for secured call loans during the early part but during the afternoon rates eased *to around 7-8 per cent., with some* balances taken at as low as 4 per cent. In the inter-bank market overnight loans commanded 9½ per cent. at the start, but by late afternoon money was available at between 2 per cent. and 5 per cent. Short-term fixed-period interest rates in the various sectors were generally slightly firmer. The one-month sterling certificate yield was quoted at 10⅛-10½ per cent., compared with 10⅛-10½ per cent., and the one-year at 11½-11½ per cent., against 11⅛-11½ per cent.

Rates in the table below are nominal in some cases.

Aug 12 1975	Sterling Certificates of deposits	Interbank	Local Authority deposit*	Local Auth. negotiable bonds	Finance house deposit	Company deposits	Discount market deposits	Treasury bills ‡	Bank bills ‡	Fine trade bills ‡
Overnight	—	2-9½	—	—	—	7-10½	4-9½	—	—	—
2 days notice	[illegible]									
7 days or 7 days notice	[illegible]									
One month	[illegible]									
Two months	[illegible]									
Three months	[illegible]									
Six months	[illegible]									
Nine months	[illegible]									
One year	[illegible]									
Two years	[illegible]									

† Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rate nominally three years 12½-13¼ per cent.; four years 13-13½ per cent.; five years 13½-14 per cent. ‡ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 10½-10⅝ per cent.; four-month trade bills 11½ per cent. Approximate selling rates for one-month Treasury bills 10¼-10⅜ per cent.; two-month 10⅜-10½ per cent.; three-month 10½-10⅝ per cent. Approximate selling rate for one-month bank bills 10½ per cent.; two-month 10½-10⅝ per cent.; and three-month 10⅝-10¾ per cent.; one-month trade bills 11½ per cent.; two-month 11½ per cent.; and also three-month 11⅝ per cent. Finance House Base Rate (published by the Finance Houses Association): 10 per cent. from August 1. Clearing Bank Deposit Rates for small sums at seven days' notice 7 per cent. Clearing Bank Rates for lending 10 per cent. Treasury Bills: Average tender rates of discount 10.4521 per cent.

هكذا فن الاعلان

AUTHORISED UNIT TRUSTS

BT Capital Inc.	22.9	24.6	......	2.68
BT Capital Acc.	23.2	24.7	......	2.65
BT Exempt	71.0	76.0m	......	7.04
BT Intl. Inc.	11.9	12.7	......	5.16
♦BT Inter'l Acc.	12.8	12.8	......	5.16

Prices on Aug. 12. Next sub. day Aug. 19.

The British Life Office Ltd.♥ (a)
Reliance Hse., Tunbridge Wells, Kt. 0892 22271

BL British Life	34.7	36.2	+0.8	6.07
BL Balanced*	26.3	27.8	+0.4	6.89
BL Capital*	26.7	28.2	+0.3	4.81
BL Dividend*	24.0	25.4	−0.1	9.69

*Prices on Aug. 12. Next dealing Aug. 20.

G.T. Inc. Fd. Un.	88.6	95.3	+0.2	7.40
G.T. U.S. & Gen.	128.4	136.6	+0.4	1.80
G.T. Japan & Gen.	141.9	150.9	+0.1	1.00
♦Gt. Pens.Ex.Fd.	93.8	98.4	......	3.00

G. & A. Un. Tst. Mgrs. Ltd.(a)(g)
5, Rayleigh Rd., Brentwood. (0277) 227300

G. & A.	20.2	21.6	+0.5	6.04

Gartmore Fund Managers♥
2, St. Mary Axe, EC3A 8BP. 01-283 2531

British Trust	29.1	31.5xd	+0.5	4.53
High Income Tst.	26.5	28.5xd	+0.1	12.99
(3)Overseas Tst.	22.7	24.4	+0.1	1.73

INSURANCE, PROPERTY, BONDS

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

Albany Inv. 20p	14	......	Craig Ship £1	400	......	Shiloh Spinn.	24	+1
Ash Spinning	36	......	Hallam Sleigh 10p	6	......	Sindall (Wm.)	46	......
Bertam	19	......	Higsons Brew.	78	......			
Brady (G.) 'A'	44	......	I.O.M. Stm. £1	120	......	**IRISH**		
Bdg'wtr. Est. 50p	105	......	Holt (Jos.) 25p	178xd	......			
Clover Croft	35	......	Kleen-e-Ze	22	......	Alliance Gas (£1)	40	......
Craig & Rose £1	310	......	Lovell's Ship £1	120	......	Carroll (P. J.)	108	......
Dyson (R.A.)	30	......	N'thn. Goldsmith	96	......	Clondalkin	53	+1
Ellis & McHdy.	58	......	P.M.A.	33	......	Concrete Prods.	60	......
Evans F'r'k. 10p.	36	......	Pearce (C. H.)	68	......	Goodbody (£1)	38	......
Evered	20	......	Peel Mills	16	......	Heiton (Hldgs.)	30	......
Fife Forge	47	......	Richards 10p	8	......	Irish Distillers	60	......
Finlay Pkg. 5p	14	......	RobbCaledon5p.	26	......	Irish Wire	40	......
Frost & Reed 50p	65	......	Sayers 12½p	6	......	Jacob	45	......
Gardiner & Sons	11	......	Sheffield Brick	56	+1	Sunbeam	7½	−½
Gardner (L.)	63	+1	Sheff. Refrshmt.	141	......	Unidare	60xd	......

OFFSHORE AND OVERSEAS FUNDS

Tokyo Pacific Holdings N.V.
Intimis Management Co. N.V., Curacao
NAV per share Aug. 11 $U.S.29.40

Tokyo Pacific Hldgs. (Seaboard) N.V.
Intimis Management Co. N.V., Curacao.
NAV per share Aug. 11 U.S.$21.51

Triumph Oceanic Int. Fnd. Mgrs.
8, Church St., St. Helier, Jersey. 0534 35511

International Fnd.	28.9	30.5	......	6.00

*As at Aug. 8. Next sub. day Aug. 15.

Tyndall Group♦ 0272 32241
Hamilton, Bermuda, & St. Helier, Jersey.

O'seas Dis. Aug. 6	US$1.10	1.17	......	6.00
O'seas Acc. Aug. 6	US$1.45	1.54	......	6.00
O'S(g) Dist July 30	£6.75	7.15xd	......	6.00
O(S(g) Acc. July 30	£8.95	9.45	......	6.00
3-Way Int. July 24	US$2.32		......	—
Int Man Fd July 31	89.0	93.6	......	—

United States Tst. Intl. Adv. Co.
14, Rue Aldringer, Luxembourg.

U.S. Tst. Inv. Fnd.	US$11.61	......	1.03

Net asset value August 8.

S. G. Warburg & Co. Ltd.
30, Gresham Street, EC2. 01-600 4555

CMT Ltd. July 31	£10.47	10.74	......	—
Conv.-Bon Aug. 11	$US8.25		......	—
Energy In. Aug. 11	US$12.15		+0.01	—
Grsh.St.$Fd.Jly31	US$6.83		......	—
TMT Ltd. July 10	£11.74	12.05	......	—

World Wide Growth Management♦
10a, Boulevard Royal, Luxembourg.

World Wide Gth. Fd	US$10.91	−0.05	—

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey yield. # Suspended. ☆ Single premium insurance bonds.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99⅜	94⅜	Exch.6½pc 1976‡‡	98⅛xd	.....	6.62	10.92
97¼	92¾	Treasury 6½pc 1976‡‡	96⅝xd	+⅛	6.72	10.02
99	97	Victory 4pc 1976‡‡	99xd	.....	4.03	—
102	96⅞	Treasury 10½pc 1976‡‡	99½	+⅛	10.55	10.85
95	88⅞	Treasury 6¼pc 1977‡‡	94⅞xd	+¼	6.59	9.92
94⅛	86¾	Electric 3pc '74-77	93xd	+⅝	3.22	7.77
103⅞	96⅞	Treasury 11½pc '77‡‡	100⅛	+⅛	11.49	11.41
88⅛	84	Treasury 3pc '77‡‡	88	+..	3.41	8.99
90⅞	84⅞	Transport 4pc '72-77	88⅞	+⅛	4.50	9.36
96⅞	90½	Treasury 9pc 1978‡‡	93⅞xd	+¼	9.59	11.89
100⅛	96⅛	Treasury 10½pc '78‡‡	96⅞	+½	10.84	11.77
87⅞	79	Exchequer 5pc '76-78‡‡	85¼	+⅛	5.83	10.45
103	94⅞	Treasury 11½pc '79‡‡	98⅞xd	+⅛	11.63	11.92
79⅞	71⅞	Treasury 3pc '79‡‡	78⅞xd	+⅜	3.80	9.32
81	73⅞	Electric 4¼pc '74-79	79⅞	+¼	5.32	10.36
100⅛	94⅞	Treasury 10½pc '79‡‡	95¼	+⅛	11.02	11.93
79⅞	71	Electric 3½pc '76-79	78⅞	+⅛	4.44	9.65
95	84	Treasury 9pc 1980‡‡	90¼xd	+⅜	9.97	11.84
95⅛	91	Treasury 9½pc '80‡‡	91¼	+¼	10.41	11.96
79	68¼	Treasury 3½pc '77-80	76	+⅜	4.60	9.84
84½	71	Funding 5¼pc '78-80‡‡	82½	+¾	6.44	10.15
		Five to Fifteen Years				
75½	66⅛	Treasury 3½pc '79-81	74	+⅝	4.73	9.69
91½	72⅞	Do 8¼pc '80-82‡‡	85⅛	+⅝	10.03	11.95
104⅞	86⅝	Treasury 12pc 1983‡‡	96⅝xd	+⅝	12.27	12.48
78	58	Funding 5½pc '82-84‡‡	73¾	+⅝	7.50	10.31
85¼	61⅞	Treasury 8½pc '84-86‡‡	81⅛	+⅝	10.58	11.73
73¼	51⅞	Funding 6½pc '85-87‡‡	70⅞	+⅝	9.48	11.43
76¼	53	Treasury 7¾pc '85-88‡‡	72	+⅝	10.82	12.24
47¼	32⅞	Transport 3pc '78-88	45⅝	+⅝	6.63	11.07
56⅞	39¼	Treasury 5pc '86-89	55½	+⅝	9.35	11.84
		Over Fifteen Years				
75½	53¾	Treasury 8¼pc '87-90‡‡	70½	+⅛	11.93	12.97
57⅛	41⅞	Funding 5¾pc '87-91‡‡	55⅜	+⅝	10.71	12.57
94½	94⅛	Treasury 12¾pc '92‡‡	94⅛	+¼	13.54	13.65
97½	85⅞	Treasury 12½pc '93‡‡	91¼	+1	13.85	13.99

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 57¼% (based on $2.1042 per £)

CANADIANS

S.E. List Premium 57¼% (based on $2.1810 per £)

Conversion factor 0.6369 (0.6336)

††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

INDUSTRIALS—Continued

††INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Finance, Land, Etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£14¼	780	Durban Deep R1	£10	......	‡Q110c	φ	‡
£14	860	E. Rand Prp. R1	£10¾	+¼	‡Q115c	φ	‡
105	55	Rand Leases 2½c	57	......	—	—	—
£34½	£22	Rand'tn Est. R2	£27	......	—	—	—
500	260	West Rand R1	300	+10	‡Q40c	1.3	‡

EASTERN RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
370	235	Bracken R1	280	......	†Q51c	1.1	11.4
23	13	Daggafontein 50c	16	......	—	—	—
105	60	East Dac R1	65	......	‡Q25c	φ	‡
140	140	Grool. Areas 5c	140‡	......	—	—	—
380	210	Kinrvlei 30c	260	+15	‡Q32c	1.1	‡
820	410	Kinross R1	695	......	†Q50c	1.5	4.5
198	107	Leslie 80c	110	......	†Q22c	1.6	12.5
550	310	Marievale 70c	340	−10	†Q34c	1.1	‡
725	380	S. Africa Ld. 25c	520	+20	‡Q35c	1.2	‡
265	165	Vlakfontein R1	160	+10	Q25c	1.3	12.5
£13¾	840	Winkelhaak R1	£11¼	......	†Q94c	1.2	2.8
120	65	Wit. Nigel 25c	85	......	Q1c	10.9	0.7

FAR WEST RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£11	680	Blyvoor 25c	860	......	Q100c	φ	7.3
£21½	£17	Buffels R1	£19¼	......	Q200c	φ	5.9
430	293	Deelkraal R0.20	385	......	—	—	—
£14¼	920	Doornfontein R1	£10½	−¼	Q110c	φ	6.6
£12¾	725	East Drie R1	£10½	−¼	Q55c	φ	3.9
£12½	725	Do. Comb. Units	£10½	......	—	—	—
450	295	Elsburg R1	345	+10	Q49c	—	7.8
£31	£16	Hartebeest R1	£25½	......	Q215c	φ	5.3
£13¼	815	Kloof Gold R1	£10½	+⅛	Q55c	φ	3.3
£17¼	875	Libanon R1	£10½	......	Q110c	φ	6.6
£13¾	960	Southvaal 50c	£13½	......	Q9c	0.9	0.5
480	335	Stilfontein 50c	345	+10	‡Q65c	1.3	‡
£33¼	£21	Vaal Reefs 50c	£25¾	+½	‡Q210c	1.7	‡
£11½	350	Venterspost R1	800	......	Q70c	φ	5.5
£56	£34	W. Drie R1	£43½	......	Q495c	φ	7.0
745	450	W'tn Areas R1	560	+20	†Q70c	1.4	7.8
£23	£15	Western Deep R2	£19¼	+½	‡Q165c	1.4	‡
530	255	Zandpan R1	455	......	Q35½c	φ	4.9

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
115	75	[illegible]	75‡	[illegible]	—	—	—
760	360	Cons. Murch. 10c	680	−5	†Q130c	2.2	‡
53½	29½	Laurasia	43½	+1	—	—	—
19	11	NRD $1	13	......	—	—	—
375	200	Northgate C$1	282	+2	Q65c	1.0	10.0
211	80	R.T.Z.	173	+1	4.97	4.4	4.5
135	47½	Sabina Inds. C$1	77	+2	—	—	—
81	51	Stamford Mines		68	......	—	—	—
£12½	875	Tara Expln. $1	£10½	+⅛	—	—	—
78	38	Yukon Cons C$1	66	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- A Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- φ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- § Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♠ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ¢ Based on 1973 profits.
- ? Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ☨ Regional price.
- || No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. M Figures based on prospectus or other official estimates for 1974-75. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 13

FINANCIAL TIMES

Wednesday August 13 1975

PORTUGUESE GOVERNMENT FACES ARMED FORCES DISSENT AND TIMOR DEMAND

Mob sacks Communist offices

BY OUR FOREIGN STAFF

ANTI-COMMUNIST violence in the north of Portugal was unabated yesterday. In Lisbon the Government faced the problems of dissent in the armed forces and of the demand for immediate independence by the colony of Timor in the Far East.

In the northern town of Viseu crowds sacked the headquarters of leftist parties and burnt their contents in street bonfires. The Communists tried to protect their headquarters by firing pistols and shotguns but they had to be evacuated after wounding 15 demonstrators.

After the Communists left the headquarters troops allowed the crowds to destroy it. In the afternoon they destroyed the offices of the pro-Communist Portuguese Democratic Movement.

The rioting in Viseu broke out at the end of a rally called to support the nine officers who backed the so-called Melo Antunes manifesto, which attacked the new Government's lack of credibility and accused it of trying to establish a "bureaucratic dictatorship" in a "fascist spirit." Last night both Communists and Socialists were planning rallies in the southern town of Evora which is a Communist stronghold.

The apparent decision of the Socialists to challenge the Communists in the south of the country lends support to the view that the moderates may be gaining in confidence in Portugal.

Although the nine officers who signed the manifesto have been suspended from the Council of the Revolution there are reports of growing support for them in the armed forces. One source is reported to have said that a majority of units in the army had now endorsed the manifesto and that units in the Air Force and Navy were following suit.

But the pro-Communist military propaganda and information services, known as the Fifth division, demanded immediate exemplary punishment for all the dissident officers in a statement published last night, and the Communist Party distributed leaflets denouncing the crisis as "the most violent and reactionary offensives since the military took power 16 months ago."

Hospital sources said that during the violence in Viseu a man died and that 15 people were injured. Military and civilian authorities denied that anyone had been killed, but the hospital insisted that a man had been shot. The toll in the past month of anti-Communist rioting is now five dead and at least 70 injured.

Five other offices of the Communist and other left-wing parties were wrecked in the area yesterday. In one town police appealed for army reinforcements in anticipation of violence at a funeral of a man killed by Communists last week.

Meanwhile the Supreme Council of the Revolution met urgently to discuss the demand for immediate independence from the Timor Democratic Union. The party is holding the island's police chief as hostage and is reported to control the airport and communications centre. The Portuguese authorities in Timor have rejected an ultimatum from the party for an immediate handover of power and arrest of all the members of the rival Revolutionary Front for an Independent Timor (Fretilin.).

Timor ultimatum rejected Page 6

TUC to advise on '£6'

By John Wyles, Labour Reporter

TUC LEADERS will start to-day to tackle the problem of how they can help implement and monitor the Government's new £6 anti-inflation pay policy.

Although any final decision on how the TUC will monitor the progress of the policy during the coming wage round will almost certainly be left until after the annual Congress in two-and-a-half weeks' time, the TUC's economic committee will be considering to-day how to advise unions to operate the Government's anti-inflation White Paper.

This advice will almost certainly be issued in the form of a circular to unions. In addition, the TUC will be publishing guidance on the policy in the next issue of its broadsheet, Labour, due to be published shortly.

The CBI has already published its advice on how to operate the White Paper which is based on Department of Employment questions and answers.

The DE will publish the same questions and answers in its own Employment News and the TUC's guidance will be in line with this version, although it may not follow the precise wording.

But divisions may emerge *between union leaders over the* question of how actively the TUC should be involved in vetting pay claims and settlements.

During the last pay round under the social contract's guidelines. Mr. Len Murray was only allowed to exercise behind-the-*scenes pressure on unions seek*ing big settlements, and some senior union leaders are still opposed to the TUC getting involved in anything too formal.

Mr. Jack Jones, general secretary of the Transport and General Workers Union, will be leading those who believe that unions will co-operate sufficiently on a voluntary basis to enable the TUC to keep an effective eye on developments.

Cigarette advertising code is launched

BY MICHAEL THOMPSON-NOEL

CIGARETTE advertisements which link smoking with sex, youth, manliness, ecstasy, courage or business success are to be banned under a new code launched yesterday.

The code, which is voluntary, will be supervised by the Advertising Standards Authority, but it may be a stop-gap affair. The Department of Health is known to be dissatisfied with it, and the Action on Smoking and Health group has attacked it as "grossly inadequate."

The code applies to all cigarette advertising in cinemas, newspapers, magazines and on *posters. It will start at the be*ginning of next month and will have a running-in period of six months while questions of emphasis and interpretation are resolved.

Cigarette advertising is worth an estimated £15m. a year. Until now it has been supervised by the industry's Tobacco Advisory Committee.

Advertisements are to be vetted in advance by the Authority and the media will be asked not to accept those that break the code. It does not apply to sports sponsorship by cigarette companies, coupon schemes, cigar advertising or other indirect means of cigarette promotion.

The authority said yesterday the code was designed to protect those who were especially vulnerable—the young and immature, and the physically and socially handicapped.

The chief "don'ts" in the code's 12 rules are that cigarette advertising should not:

- Exaggerate the attractions of smoking.
- Encourage people to smoke more.
- Claim any health advantage for one brand over another, except on grounds acceptable to the health authorities.
- Claim that smoking is a necessity for relaxation or concentration.
- Claim that a particular brand is a sign or proof of manliness, courage or daring.
- Incorporate copy or illustrations which are sexually titillating, or which imply a link between smoking and sexual success.
- Claim that smoking contributes significantly to social or business achievement.

No cigarette advertisement, says the Authority, should appear in any publication directed wholly or mainly at the young. Nor should it link smoking with the healthy outdoors.

At the same time the Authority's chairman, Lord Drumalbyn, said the code was not designed to hamper fair competition between brands of cigarettes.

The Health Department's concern with the code centres on Rule 1, which states: "Advertisements should not exaggerate the attractions of smoking or otherwise seek to persuade people to start smoking." The Department, said Lord Drumalbyn, wanted a complete ban on suggestions that smoking entailed any attraction at all.

"But that would have been going too far. Advertisements are there to proclaim the attractions of the product. It is not for us to impose restraints on any particular product—that is a job for Parliament," he said.

Specific advertisements have *not yet been scrutinised* but the Action on Smoking and Health group said last night it had compiled detailed comments on a list of advertisements which would have to be discontinued if the code was to work. They included advertisements for *Rothmans King Size, Piccadilly*, Marlboro, Player's No. 6, Benson and Hedges, Kensitas, Peter Stuyvesant and Consulate.

- Cigarette advertising that shows smoking to be socially desirable should be legally banned and retailers should be compelled to display tar and nicotine tables, the Standing Medical Advisory Committee said yesterday. Its membership includes all the presidents of the royal colleges of medicine, plus 20 other top doctors.

Japan cuts bank rate $\frac{1}{2}$% to $7\frac{1}{2}$%

By Peter Duminy

TOKYO, August 12.

A NEW phase in Japanese monetary policy is apparently signalled by the 0.5 per cent cut in bank rate to 7.5 per cent. announced with effect from to-morrow. It is the third such reduction since April 16.

In April, and again on June 7, the Bank of Japan had little option but to adjust its discount rate downwards in line with underlying market forces. It acted reluctantly and late then, but this time there is evidence that the *central bank is back in its* traditional role of seeking to lead the market.

The Governor, Mr. Teiichiro Morinaga, more or less conceded this to-day when he said the latest move was intended to boost business confidence and that he was prepared to discuss yet another bank rate cut—at an unspecified time. Commercial bankers confidently expect this will come in the next two months.

A larger cut might, *therefore, have been expected* to-day, but it has to be remembered that the banks are being squeezed between their declining lending rates and deposit rates which have yet to be brought down and cannot be adjusted immediately due to built-in rigidities unconnected with monetary policy.

Mr. Morinaga confirmed that the next bank rate cut would be timed to coincide with the lowering of deposit rates.

Tax shortfall

Moreover, to-day's move is against the trend of longer-term rates, now rising in anticipation of the Government's large borrowing requirement for the period to the end of next March.

These matters are related in the broadest economic context since the Government is obviously aware that the more quickly it can get business moving again the smaller its *own tax shortfall will be.*

A primary objective now is to stimulate private capital outlays, the sluggishness of which is doing most to hold the economy back. The Economic Planning Agency estimates that private investment dropped 20 per cent. in real terms in 1974-75, making this the main feature of the past recession. This situation is showing no recovery yet.

NVT jobs threat at Small Heath

BY CHRISTIAN TYLER IN BIRMINGHAM

SHOP STEWARDS at the Small Heath, Birmingham, plant owned by the Norton Villiers Triumph motor-cycle and engineering group will to-day be told what the company has decided for the future of the factory.

They will almost certainly be asked to accept a further batch of redundancies among the 1,400 workers because of the company's failure to persuade workers at the Wolverhampton plant to accept closure and transfer some production to Birmingham.

NVT is likely to point out that, if workers at the Wolverhampton factory had not taken up their fight to save their plant (now under the management of the Official Receiver) and had agreed to transfer some equipment to Small Heath, then Small Heath could have been maintained at its present manning level, and production could even have been increased.

Small Heath shop stewards, yesterday awaiting the Board's plan, made it clear that although they wished the 1,600 Wolverhampton workers well in their fight, their first duty lay with their own members.

Around one-third of the Small Heath workforce is fully engaged in making components for the motor-cycles built at Wolverhampton—the Norton 750 and 850. These jobs could be lost unless either Wolverhampton survives or some of its production is transferred to Birmingham.

Meriden

Meanwhile, Wolverhampton workers were still guarding their factory yesterday while union officials continued to look for ways to raise money to keep it going. On Monday, Labour councillors declared their support for some kind of "community co-operative" with local authority financial involvement.

The present situation affecting both plants is being widely blamed on the former NVT motor-cycle factory at Meriden, near Coventry, now a workers' co-operative set up under the aegis of Mr. Anthony Wedgwood Benn, when he was Industry Secretary.

Small Heath opposed the co-operative because much of the Meriden equipment was to have been transferred to their now under-utilised plant.

John Wyles, Labour Reporter adds: Britain's second largest union, the Amalgamated Union of Engineering Workers, claimed yesterday that it was unhappy with WVT's handling of public money received from the Government and called for an inquiry into the company's affairs.

The demand for a public inquiry, adopted by the AUEW engineering section's executive council, is to be sent in a letter to Mr. Eric Varley, the Industry Secretary.

Hosiery industry on short time

A survey has shown that about half of the 115,000 employees in the hosiery and knitwear industries are now working short time.

Mr. Alan Kershaw, director of the Knitting Industries Federation, based in Nottingham, said about 60 per cent. of their member firms were hit with some working a three- or four-day week.

Weather

U.K. TO-DAY

PRESSURE is high to the North and South of the British Isles. Most districts will have variable cloud and sunny intervals with scattered showers in places and will be warm.

London, S.E. England, East Anglia, E. Midlands, N.W. England, N. England, S.W. Scotland

Sunny spells and scattered showers. Very warm. Max. 24C (75F).

Cent. S. England, W. Midlands, N. Wales, Isle of Man, N. Ireland

Perhaps a little rain in places at first but sunny intervals developing with scattered showers. Max. 22C (72F).

Channel Isles, S.W. England, S. Wales

Bright or sunny spells with a few showers. Wind westerly light. Max. 20C (68F).

N.E. England, Borders, Edinburgh, Aberdeen, N.E. Scotland

Bright or sunny spells inland. Coastal fog. Warm but cooler on coasts. Max. 23C (73F).

Cent. Highlands, N.W. Scotland

Sunny spells and mainly dry. Max. 21C (70F).

Orkney, Shetland

Bright intervals and fog patches. Wind easterly light. Max. 18C (64F).

Outlook: Sunny spells with some showers particularly in the South-West.

Lighting-up: London 20.59, Manchester 21.14, Glasgow 21.30, Belfast 21.33.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Alexandria	F	29	84	Madrid	S	31	88
Amstrdm	S	27	81	Manchster	C	21	70
Athens	S	34	93	Melbourne	C	10	50
Bahrain	S	37	99	Milan	R	20	68
Barcelona	S	27	81	Montreal	S	26	79
Belfast	F	22	72	Moscow	S	14	57
Belgrade	S	30	86	Munich	R	14	57
Berlin	S	31	88	Nassau	S	28	82
Birmghm	F	23	73	Newcastle	S	24	75
Bristol	F	22	72	New York	S	29	84
Brussels	S	24	75	Oslo	S	22	72
Budapest	F	29	84	Paris	S	25	77
B. Aires	S	16	61	Perth	F	15	59
Cairo	S	31	88	Prague	S	29	84
Cardiff	S	22	72	Reykjavik	R	11	52
Cologne	S	22	72	Rio de J'o	S	27	81
Copnhagn	S	26	79	Rome	S	28	82
Dublin	C	17	63	Singapore	S	30	86
Edinb'gh	S	25	77	Stockholm	F	19	66
Frankfurt	S	26	79	Strasbourg	C	20	68
Geneva	C	17	63	Sydney	R	12	54
Glasgow	S	24	75	Tehran	S	37	99
Helsinki	F	17	63	Tel Aviv	S	28	82
H. Kong	S	25	77	Tokyo	S	29	84
Jo'burg	S	21	70	Toronto	S	26	79
Lisbon	S	27	81	Vienna	F	27	81
London	C	25	77	Warsaw	C	26	79
Luxembg	S	26	79	Zurich	R	13	55

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Ajaccio	S	26	79	Jersey	F	21	70
Algiers	S	31	88	Las Palmas	S	28	82
Biarritz	S	23	73	Locarno	F	19	66
Blackpool	F	20	68	Luxor	S	36	97
Bordeaux	F	24	75	Majorca	F	27	81
Boulogne	C	17	63	Malaga	S	28	82
Casablanca	S	25	77	Malta	S	27	81
Cape Town	C	19	66	Nairobi	S	17	63
Corfu	S	29	84	Naples	C	25	77
Dubrovnik	F	26	79	Nice	S	26	79
Faro	S	25	77	Nicosia	F	28	82
Florence	C	27	81	Oporto	S	26	79
Funchal	S	26	79	Rhodes	S	33	91
Gibraltar	S	24	75	Salzburg	F	16	61
Guernsey	F	21	70	Tangier	S	25	77
Innsbruck	F	17	63	Tenerife	S	32	90
Inverness	S	18	64	Tunis	S	33	91
I of Man	S	18	64	Valencia	S	30	86
Istanbul	S	26	79	Venice	F	21	70

S—Sunny. F—Fair. C—Cloudy. R—Rain.

Continued from Page 1

Attack on policy for Leyland

been taken before Lord Ryder was asked to report.

"If as we believe, the Government's initial Ministerial stance conditioned the findings of the Ryder report, and the Department, having examined the report gave further advice to Ministers, this is a process of *decision which has been acceler*ating through all its stages," the report says.

"Dissent from the original view became steadily more difficult and in the end, impossible."

In this context, the committee attacks the failure of the Government to present the arguments for and against completely independent truck and bus, quality car, and mass producing car companies to the House of Commons.

"We have no evidence that they have been seriously examined at all," it says.

In the large section of the 140 page report not dealing with British Leyland, the committee praises the record of the component, commercial vehicle, and design sectors of the British motor industry. It points out that these have given Britain an increasing surplus on motor exports over imports over the years.

The areas which it singles out for special mention are over-*manning — it would like to see* an industry-wide appraisal of the problem — the lack of investment, and the quality of British cars.

Manufacturers should produce a reliable and fault-free product in the first place, rather than relying on dealer checks, and pay greater attention to consumer preference, it says.

The standard or reliability of British cars was "clearly inadequate," the report concludes.

It also casts doubt on the future of Vauxhall and Chrysler, which it says could be placed in an even more difficult position if Government backing allows British Leyland to support a "differential pricing" system to their disadvantage.

Both companies, says the committee, "are in a long-term loss-making situation—most probably because of lack of scale."

Continued from Page 1

Conference on Rhodesia

white control of white areas indefinitely while allowing blacks to control their own areas, and increased participation in central government though with ultimate white control. In the face of persistent threats of an increase in guerilla activity, Rhodesia has been increasing its security forces build-up in recent weeks and there have been persistent references by Government spokesmen to plans for a "big push" to wipe out "terrorism" later this year.

Perhaps the only really encouraging sign is the presence—as observers—of the Governments of South Africa, Botswana, Mozambique, Zambia and Tanzania, all of whom have a vested interest in seeing an early agreement.

Unfortunately, there is a limit to the amount of pressure that they can place on their respective clients. Thus, the black presidents cannot—even if they so wished—push the ANC into accepting anything less than majority rule within five (if not two or three) years.

For his part, Mr. Vorster cannot force the white Rhodesians into accepting anything remotely like black rule within ten years, at the very least.

In other words, the situation has in it all the ingredients of a continued stalemate and a resultant later escalation of the war.

THE LEX COLUMN

Deciding on the Slater loans

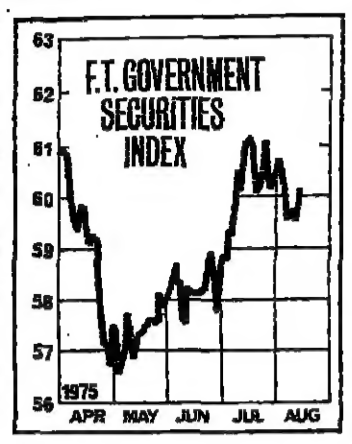
Slater Walker's extraordinary meetings to-day to consider its loan stock proposals may not be the end of the matter. There are four separate schemes on the agenda, and Slater is entitled to adjourn any meeting and revise *its offer upwards* with September 30 as the ultimate deadline. Since earlier buying in the market has presumably mopped up a large part of institutional holdings of stock the results now depend largely upon *the less predictable responses of* private investors. But it seems evident that the groundswell of professional opinion in the City has been hardening against the proposals—initially because the terms were not particularly *generous*, but more recently because of dissatisfaction over the reduced security offered by the trust deed constituting the new 17½ per cent. stock (at any rate in three cases out of the four).

Not only *is the proposed* borrowing limit raised to three times capital and reserves rather than twice, as in the three more restrictive deeds, but the limitation of secured borrowings to one-half of capital and reserves is removed entirely. There is no indication that Slater has found the existing borrowing restriction onerous—its end-1974 balance sheet would have permitted just over £160m. of borrowings, *against a crude actual figure of* around £120m. (only Slater itself could supply the precisely defined figure). Still, the limit is low enough, and uncertainties over asset values are real enough, to suggest that the tech*nical addition of £14m. to share*holders' funds may not have been the sole reason for presenting the proposals.

But the real point is that the *institutions have harsh experi*ences elsewhere fresh in their minds. And they will be keen to see that reduced security is more appropriately reflected in the terms of stocks such as those of Slater Walker.

See also Page 12

Index rose 6.7 to 290.0



Acrow

Acrow's profits are £2.1m. up at £5.9m. in the year to March—and that is almost exactly the extent of the turnround into profits at the Coles Cranes business. In addition, steel stock profits must have played a part in a year when overall inventories rose by £8m. to £35m., and there was no repetition of the previous year's special provisions of nearly £800,000 above the line. So the group has been able to take a sharp downturn on formwork systems in its stride.

Profits are still motoring ahead in the current year with a rise of about a quarter to date, and the Coles acquisition—which has yet to pay its way properly—is heading for a further rise. At least as important are the changes in the highly geared balance-sheet. Net short-term debt rose by about £1m. to £8.7m. last year, when net cash flow reached roughly £6m. In 1975-76, capital spending is to be cut back sharply to about £2m., and working capital requirements are expected to be lower as steel supplies become easier to obtain. The group would still be pressed to justify the figure of £16m. for goodwill related to Coles, which represents just over half its shareholders' funds. But at least the trends are now pointing in the right direction.

So are the shares, which are back within sight of the 1975 high after yesterday's 5p rise to 63p. But they have now risen by nearly a fifth in the past three days' trading, and a market capitalisation of £17¾m. seems to be pretty well up to date with events.

See also Page 13

'Suits'

So much has happened to "Suits" over the last 18 months that the 1974-75 result—a £1.35m. pre-tax advance to £5.48m.—is only a partial indicator of the underlying trend. But after the gain of only £118,000 at the half-way stage, the bigger second half advance shows the impact of reinvesting the £25.8m. proceeds from the sale of the bulk of the House of Fraser stake. About £h went to re-pay short-term borrowings, and by the end of this March, a third of the remainder had gone into equities (including an increase in the Fraser stake from 5.6 to 9.5 per cent.), around a third into whisky stocks, and the balance into short and medium term loans. Otherwise, the profit advance reflected a full year of various whisky acquisitions though this side was affected by the general problems of the sector, while printing and publishing had a year of "consolidation."

Suits has also used its capital profit of £10.17m. after tax from the Fraser share sale to spring clean its balance sheet—£3.75m. spent last year on the title and goodwill of the Glasgow "Evening Citizen" has been written off immediately. The end result apparently is that shareholders' funds rose by about £5.5m. to £30.6m. over the year, which does not provide any obvious scope for fresh enthusiasm about a capitalisation of £27.2m. at 87½p, compared with a high for the year of 113p.

See also Page 13

Spirella/Vantona

There is a refreshingly old-fashioned flavour to the Vantona defence document (from the majority group on the Board), which throws in a forecast pre-tax profits rise from £2.5m. to £3.3m., a dividend improvement of one-half, and a property revaluation taking net worth up to 76p a share against the market price of 47p. But the twist is that the managing director, Dr. John Blackburn will not associate himself with any forecast; yet both Spirella and Vantona are merrily forecasting higher profits on the assumptions, inter alia, that demand will not decline and that interest rates will not rise.

There seems no basic dispute that the merger of the two groups would make sense. The argument is over the terms, and Vantona makes out a reasonable case for a higher share of the combined equity. But what is missing so far is guidance on its cash requirements. Vantona claims its bank borrowings have been cut, but does not say by how much, and the real question is how it will finance a future uptrend in fibre prices and volume.

See also Page 14

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